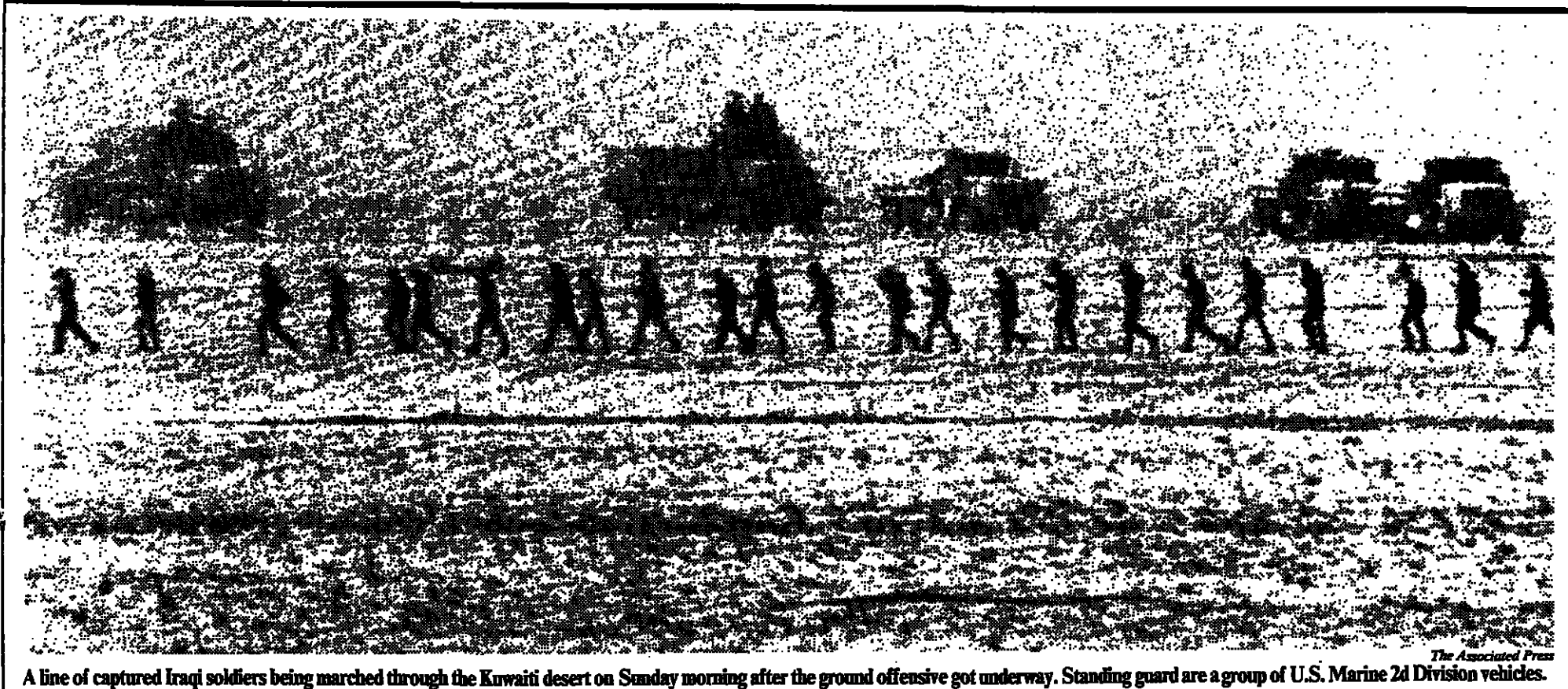


ALLIED ASSAULT

Massive Thrust North Against the Iraqis Reported to Reach Edge of Kuwait City



A line of captured Iraqi soldiers being marched through the Kuwaiti desert on Sunday morning after the ground offensive got underway. Standing guard are a group of U.S. Marine 2d Division vehicles.

By Barry James
International Herald Tribune
Allied forces, in a sweeping invasion from the Gulf to south central Iraq, launched their long-awaited offensive Sunday to force Iraq from Kuwait.
The commander of Operation Desert Storm, General H. Norman Schwarzkopf, said allied units were "moving north at great speed" with "remarkably light" casualties in the opening stages of the campaign.
Buoyed by success in the opening stages of the assault—which he said had accomplished all first-day objectives in the first few hours—General Schwarzkopf ordered commanders to speed up the assault, Pentagon officials told the Associated Press.
Supported by waves of fighter-bombers, attack helicopters, salvos of rockets and bombardment from the battleship Missouri, U.S. airborne troops were reported by a U.S. military official to have reached the outskirts of Kuwait City.
British, French and other units drove a pincer attack deep into the heart of southern Iraq and raced toward the Euphrates after the multipronged assault began across a 300-mile (500-kilometer) front.
Urged to lay down their arms by aircraft flying over the battlefield with a recorded message, Iraqi troops surrendered in such numbers that they threatened to slow the allied advance.
Defense Secretary Dick Cheney said in Washington that the allied forces did not regard Iraqi territory as a sanctuary for enemy forces. But he said the United States had no interest in holding onto any Iraqi territory.
CNN, quoting Pentagon sources, reported that 11 U.S. troops had been killed in action Sunday. There was no word on the number of wounded Americans or on fatalities among other coalition forces.
Despite the positive reports on the first day of the assault, senior officers warned that tough fighting still lay ahead, especially once the allied troops came into contact with the Iraqi Republican Guard, and they cautioned that the deciding battle for Kuwait was still days away.
In eastern Iraq, another allied flanking movement was reported to be close to the city of Basra, the home base of the Republican Guard.
Kuwaiti sources said that a U.S. Marine amphibious force seized the island of Failaka, seven miles off the coast opposite Kuwait City, taking hundreds of prisoners. Military sources said that the island was being used as a base for supporting amphibious operations.
As the assault progressed, Iraq continued its missile attacks against Saudi Arabia. A Patriot missile destroyed a Scud fired over Riyadh on Sunday night in the third attack of the day. Debris from a Scud rained on a school earlier in the day and another crashed into the desert, officials said.

An Early Question: How Fast Can the Allied Forces Move?

By Paul F. Horvitz
International Herald Tribune
WASHINGTON — Early reports of dramatic allied success on the battlefield gave rise Sunday to optimism among some U.S. military analysts, and assertions that the hardest land fighting would last only a matter of days.
But there were also cautionary reports from official allied sources and others, who suggested that a much longer period of "mopping up" operations dangerous to allied troops would be necessary inside Kuwait.
"It's going very well—it's gone too smoothly," said Lieutenant General Walter Boomer, commander of the U.S. Marines, at his desert post. "Any commander gets concerned in that situation."
A military official in Washington said that despite the early reports of coalition success, more than a week of tough combat—including street-to-street fighting for Kuwait City—might lie ahead for the allies.
Defense Secretary Tom King of Britain, speaking in London, described the Iraqi forces encountered Sunday as "the least capable and with the lowest morale."
U.S. officials cited a range of obstacles that the allies might still have to overcome, such as Iraqi chemical attacks and counterattacks by Iraq's Republican Guard.
With the allied land offensive against half a million Iraqi forces in full swing, an informed and independent estimate of the duration of the fighting was virtually impossible to obtain. Few people outside the top allied military command and the allied political leadership have access to a detailed picture of the progress of the war.
Some of these officials, at least on Sunday, offered assessments optimistic for the allies while warning them against overconfidence.
"I don't think this is going to be a long, drawn-out campaign," Defense Secretary Dick Cheney said in a broadcast interview Sunday. But he also warned that "we should not make any assumptions yet about how quickly we can wrap it up."
Lawrence J. Korb, a former assistant U.S. defense secretary, said he believed the operation would move quickly to a conclusion.
"I look for it to be over well within two weeks given the apparent ragtag condition of most of the Iraqi Army," he told Reuters.
Barry Blechman, a private military analyst, said that "we should not make any assumptions yet about how quickly we can wrap it up."

'We Own This Piece of Desert'

By John Kifner
New York Times Service
WITH THE 101ST AIRBORNE DIVISION, COBRA BASE, IRAQ — More than 2,000 American air assault troops plunged 70 miles into Iraq at first light Sunday in the largest helicopter-borne operation in military history.
The attack by the 101st Airborne Division to the north of Iraqi troop concentrations established, 112 kilometers inside Iraq, what is essentially a giant fortified gas station to fuel attack and troop-carrying helicopters for assaults into the Euphrates River valley. Those assaults will try to cut the main highway between Baghdad and Basra.
"We own this piece of desert," said First Lieutenant Phil Johnson, a Ranger, as his Huey helicopter settled into the landing zone in a cloud of sand dust.
By nightfall, a supporting ground column of more than 700 trucks had reached Cobra base, bringing the number of troops there to 4,000. As American planners accelerated schedules because of crumbling resistance, another brigade from the 101st was to fly in.
French light armor attacking from the ground on the 101st's left flank was moving faster than anticipated, officers said, and on the right flank the American 24th Mechanized Infantry Division and the 7th Armored Corps, equipped with heavy M1-A1 tanks, jumped off on their invasion north of the border Sunday afternoon, nearly a day ahead of schedule.
As the early sun broke over the desolate sands, long columns of giant black Chinook helicopters, many carrying field artillery, trucks, boxes of ammunition and aviation fuel swept over the horizon barely 40 feet (14 meters) above the ground. Cobra and Apache attack helicopters had been blasting the area, an ancient lake bed, for days to clear out any possible resistance.
By late morning, a small hill had sprouted radio antennas at the makeshift command post and soldiers were digging into the sandy, rock-strewn soil with entrenching tools, and filling sandbags.
"There's not another division in the army that could have done this," said Colonel Tom Hill, the commander of the First Brigade, which carried out the attack. He was standing atop the hill at midday.
See DESERT, Page 4

Debriefing: Day 39

Because of reporting restrictions imposed by military censors, it was not possible to compile a detailed picture of the action in the first day of the ground war. U.S. spokesmen described the early engagements as a success for the coalition. An Iraqi military communiqué claimed the allied offensive had been repulsed. The Associated Press reported that some allied units had advanced to the edge of Kuwait City. CNN late Sunday reported 11 American dead. Reuters said witnesses had reported an Iraqi Scud missile being destroyed over Riyadh.
Following are excerpts from statements made by General H. Norman Schwarzkopf, the U.S. commander, and from the Iraqi military communiqué:
"Allied forces have already reached their first-day objectives and are continuing their attack."
"With the exception of one early-afternoon engagement between the Marine task force and an Iraqi armor unit, contact with the enemy can best be characterized as light."
"Ten hours into this ground offensive, more than 5,500 prisoners have been captured. And we've received reports of many hundreds north of our positions with white surrender flags. [The French later reported taking an additional 1,000 Iraqi prisoners.]
"Friendly casualties have been extremely light, as a matter of fact, remarkably light."
"So far, the offensive is progressing with dramatic success. The troops are doing a great job. But I would not be honest with you if I didn't remind you that this is the very early stages. We are a little more than 12 hours into this offensive and the war is not over yet."
"We're going to go around, over, through, on top, underneath and any other way it takes to beat them."
— General Schwarzkopf.
"Our forces repulsed and contained the enemy attacks and foiled their objectives. The 3d Division burned and destroyed hundreds of enemy tanks and vehicles and inflicted large numbers of casualties."
"The enemy dropped airborne troops behind our lines at Minagish [in western Kuwait] but our forces besieged them and wiped them out."
— Iraqi military communiqué.

Kiosk

Volatile Ship Adrift Off U.K.

LONDON (AP) — A burning freighter laden with explosives was adrift off England's south coast Sunday, and aircraft and shipping were warned to give it a wide berth.
The London-registered Breydon Merchant, carrying 150 tons of commercial explosive and detonators, was off Newhaven when fire started in the engine room, a spokesman at the Maritime Rescue Coordination Center in Dover said. All four crew members were lifted to safety by helicopter, he said.

General News

The generals who led a coup in Thailand promised to step aside in six months. Page 2.
Business/Finance
Poland signed an agreement with the IMF. Page 9.
Airlines are using the Gulf war as an impetus for cost-cutting programs. Page 9.

Crossword Page 12.
Weather Page 2.

Flood of Iraqi POWs May Hamper Allied Mobility

By Eric Schmitt
New York Times Service
RIYADH — The flood of Iraqi soldiers surrendering to allied forces is straining the coalition's ability to deal with the prisoners.
General H. Norman Schwarzkopf, the U.S. commander here, said that more than 5,500 Iraqis had been taken prisoner in ground combat on Sunday. Other senior American military officers said the total would most likely rise to more than 11,000 by Monday. The French reported taking more than 1,000 POWs.

"One of the big problems we've been faced with is just dealing with all the prisoners coming south," Secretary of Defense Dick Cheney said.

The U.S. military maintains two prisoner-of-war camps in Saudi Arabia, with a total capacity of about 100,000.

The camps, which are also to house POWs captured by other allied forces, are essentially way stations. Within two or three days, most prisoners are turned over to the Saudi government, which operates a series of more permanent facilities with a capacity of more than 100,000.

Before the latest wave of prisoners, about 3,000 Iraqis had been captured, surrendered or been captured in combat.

Transferring hundreds, and in some cases thousands, of POWs



An Iraqi prisoner of war facing his captor in Kuwait on Sunday as the allies launched the land assault.

A Defiant Hussein Urges 'Fight Them!'

By Alan Cowell
New York Times Service
AMMAN — In an emotional address laced with Koranic verse and invocations of Islam, Saddam Hussein urged his soldiers facing the allied advance into Kuwait and Iraq on Sunday to "fight them and show no mercy," telling his forces that their beleaguered land was the victim of "treachery, treason and villainy."

"Fight them because with their defeat you will be at the last entrance of the conquest of all conquests," he said about four hours after the assault began.

But, in his first oblique allusion to the possibility of Iraqi setbacks, he added, "If the opposite takes place, God forbid, there will only be the deep abyss to which the enemies are aspiring to push you and a long darkness will prevail over Iraq."

On the battlefield, Iraq claimed initial successes over an allied advance on a broad front against what it identified as six Iraqi divisions.

"The enemy attack has failed utterly," said military communiqué No. 60 broadcast on Baghdad radio, and it added that allied soldiers were "swimming in their blood."

A separate statement, broadcast

See IRAQ, Page 4

Tens of Thousands Rally Near Kremlin To Support Yeltsin

By David Remnick
Washington Post Service
MOSCOW — Carrying banners calling for the resignation of President Mikhail S. Gorbachev, more than 100,000 people staged a demonstration Sunday near the Kremlin in support of Boris N. Yeltsin, the Russian Republic president.

The rally of pro-democracy forces came a day after Soviet troops and civilian supporters, led by Defense Minister Dmitry T. Yazov and Vladimir A. Kryuchkov, head of the KGB state security police, staged a demonstration on the same square in support of communism and Moscow's power over the republics.

The rally Sunday on Manezh Square was far more spirited than the conservative gathering. Although Mr. Yeltsin did not attend, he was the center of the crowd's attention and affection.

"Red Fifth, Hands Off Our Yeltsin," proclaimed a sign, one of many in support of Mr. Gorbachev's political rival.

Other hand-printed signs reflected the unpopularity of the Soviet leader: "Gorbachev, The People Deserve You" and "Uncle Gorb, My Granny and I Don't Trust You Anymore."

In recent months, as conservatives in the Communist Party, the KGB and the military have pushed Mr. Gorbachev toward a more hard-line policy, he has lost any remaining support he might have had among pro-democracy forces, who have turned to Mr. Yeltsin.

But worry among Mr. Yeltsin's supporters that he could be forced out as the leader of the Russian parliament has increased sharply in the last week.

After Mr. Yeltsin's televised call last week for Mr. Gorbachev's resignation, members of the Russian Communist Party began an open push for a vote of no-confidence. The Russian parliament will hold a special session on the issue March 28.

Many speakers Sunday said that the Soviet people would not tolerate an attack on Mr. Yeltsin.

"Neither a military push nor the iron hand is going to feed the country," said Oleg Yushenkov, a deputy in both the Soviet and Russian parliaments. "Are we going to become an obedient herd again, following the Russian Communist Party wherever it leads us? Do we want a union where soldiers shed blood to hold it together?"

Another speaker, Bella Denisovna from the Kuzbass coal mining region of Siberia, said: "We must make it clear to the leadership and Communist deputies that we will not let them fire Yeltsin. We have to be ready for a general political strike."

Vladimir Lysenko, a leader of Democratic Platform, a group of Communists who broke away from the party last summer, said the country's pro-democracy forces should rally around Mr. Yeltsin.

The Soviet political situation has grown increasingly grim. The animosity between Mr. Gorbachev and Mr. Yeltsin makes any sort of cooperation between the union government and the pro-democracy forces unlikely, and the violence in the Baltic republics last month



Backers of Boris N. Yeltsin, the Russian president, demonstrating Sunday outside the Kremlin walls.

China Cuts Journalists' Lines of Communication

By Sheryl WuDunn
New York Times Service
BEIJING — Expanding a campaign to increase secrecy in an already secretive nation, the government seems to have restricted its telephone system so that military officials and many foreigners cannot place calls to one another from their offices or homes.

In the last few months, the government has taken measures to prevent secrets from leaking to foreigners or to Chinese who are not supposed to have access to the information, several Chinese in various departments of the government say.

The government has not announced any rewriting of the telephone system, but beginning last month foreign diplomats and journalists have been unable to dial the homes or offices of officials in the People's Liberation Army. The rewriting initially affected only some numbers, but now it seems that almost all calls to military exchanges from the exchange serving foreign diplomats and journalists get a busy signal.

Military officers and their family members say they, too, are unable to dial the homes or offices of foreign diplomats or journalists. Their calls get a recorded message telling them that there is no such telephone number.

The rewriting was apparently easier to accomplish than it might seem, because foreign diplomats and journalists are obliged to live in special compounds and have phone numbers beginning with the number 532.

Most military officials senior enough to have telephones in their homes also live in special military compounds, and their homes and offices are served by exchanges with similar prefixes.

Telephone operators confirmed that it was impossible to dial some military numbers from a 532 exchange. One operator said the system was "being revised" and did not know when or whether it would be fixed.

"Go and use another telephone," another operator said. "Try one outside your area."

Other sensitive government and party departments are still accessible by phone to foreign diplomats and journalists.

ANC Rethinking Nationalization Policy

By Christopher S. Wren
New York Times Service
JOHANNESBURG — The African National Congress has publicly expressed reservations about its longstanding commitment to nationalize key industries if it comes to power.

In what could be a significant shift in its economic policy, the ANC circulated a discussion paper to its membership last week in which it conceded that nationalization was "not a simple, clear-cut issue" and could increase the national debt without creating jobs, drive away skilled professionals and foreign investors and end up benefiting only a few people.

"We need to look more carefully at the economic reality and begin to find a more overall economic policy that will begin to solve our problems," the ANC paper said.

In its so-called Freedom Charter, adopted in 1955, the ANC detailed post-apartheid goals that included a promise to nationalize mines, banks and other powerful sectors of the economy.

"The mineral wealth beneath the soil, the banks and the monopoly ownership of the people as a whole," the Freedom Charter said. "The ANC has sent mixed signals on the issue in the last year. After meeting white business leaders on May 23, the ANC deputy president, Nelson Mandela, said that 'we are not rethinking the question of nationalization.'"

On Oct. 4 it released a document on economic policy that threatened to expropriate public corporations sold off by the white minority government but made no other explicit mention of nationalization.

The latest discussion paper was prepared by the Center for Development Studies, a think tank sympathetic to the ANC at the University of the Western Cape.

Substantial excerpts were published in the current issue of the ANC magazine Mayibuye in an apparent effort to stimulate a debate that would prepare the rank and file for a change in thinking.

The paper listed possible advantages of nationalization, which it said would insure everyone access to basic services like electricity, improve working conditions, channel profits into useful social or industrial investments and reduce the control of existing conglomerates. But possible disadvantages were given more space. The discussion paper estimated that buying the country's gold mines would cost nearly \$28 billion, which it said a post-apartheid government could not afford.

To carry out nationalization, the ANC paper said, "we need to borrow the money to pay for the companies we buy. We will have to pay back this money with interest. This money will be spent without creating a new single job."

It recognized that some countries that nationalized their mines had run into difficulties.

The copper mining industry in Zambia, where the ANC leadership spent many years in exile, nearly collapsed after nationalization.

The paper went on to say that nationalization could stifle skilled whites into emigrating.

Thai Leaders Of Coup Vow To Withdraw In 6 Months

Compiled by Our Staff From Dispatches
BANGKOK — Generals who overthrew Thailand's civilian government in a coup promised Sunday to step aside within six months, after free elections and a new constitution.

"It is better to take one step backward than 10 steps forward than to stand still and let the situation grow worse," said General Suchinda Kraprayoon, the army chief of staff.

The military arrested Prime Minister Chatichai Choonhavan on Saturday and swiftly and declared martial law. Armored personnel carriers and troops were evident in the streets of the capital Sunday.

The military arrested Prime Minister Chatichai Choonhavan on Saturday and swiftly and declared martial law. Armored personnel carriers and troops were evident in the streets of the capital Sunday.

It was the 17th coup or attempted coup since 1932, and possibly the most peaceful. Not a shot was fired during the four-hour operation.

The takeover surprised diplomats, who were generally felt that Thailand was no longer susceptible to military intervention after coup attempts in 1981 and 1985 were crushed and Mr. Chatichai won election in 1988 as the first democratically elected leader in more than a decade.

The United States, one of Thailand's closest allies, responded to the coup by suspending \$16 million in military and economic aid, most of it for development projects. A State Department statement said, "The United States strongly supports constitutional rule and deeply regrets the overthrow of Thailand's democratically elected government." It called on the coup leaders to restore democratic rule immediately.

Thailand's new military leaders, who also arrested the prime minister's family and some of his aides, accused Mr. Chatichai, 68, of allowing corruption to flourish and of trying to interfere politically with the running of the military. General Suchinda Kraprayoon, the supreme commander who became the caretaker prime minister, said the military had acted to "protect democracy in Thailand."

"Members of this government have taken advantage of their position to build personal fortunes for themselves and their associates, in a manner which is unprecedented," he said after the coup. He asserted that some politicians had bargained to win contracts for public projects and that Mr. Chatichai had ignored the abuses.

General Suchinda said the takeover had been unopposed and doubted that any figure was strong enough to launch a counter-coup. Diplomats said the coup appeared to have the support of upper echelons in the armed forces, business and civil service.

"I wouldn't call it a popular coup, but neither would I call it an unpopular coup," an investment consultant said. "It was at least a clean coup."

General Suchinda, speaking of a tough foreign policy issue, said the Khmer Rouge must be given a share of power in Cambodia. "They have every right to share power," he said. Mr. Chatichai had tried to develop better relations with both the Cambodian government and Vietnam, both of which are opposed to the Khmer Rouge.

A Western diplomat in Bangkok said he envisaged "a lot less sympathy for the Vietnamese position" now that Mr. Chatichai's son and adviser, Kraisa Choonhavan, was no longer a key formulator of Cambodia policy.

(Reuters, WP, UPI, AP, LAT)

WORLD BRIEFS

Warsaw Pact Meets to Cut Army Ties

BUDAPEST (Reuters) — The foreign and defense ministers of the Warsaw Pact are due in Budapest on Monday to pronounce the death of the organization's military structure.

At a meeting of the Political Consultative Committee, ministers were expected to endorse a proposal by President Mikhail S. Gorbachev to wind up the alliance's military side by April 1.

Although other functions of the Warsaw Pact will not be dissolved until 1992, the meeting Monday, coupled with the formal scrapping of the Soviet-led trading bloc, Comecon, at a separate conference beginning on Wednesday, will symbolically put an end to 46 years of Soviet rule in Eastern Europe.

17 Killed in Hotel Fire in Leningrad

MOSCOW (AFP) — A fire at a first-class hotel in Leningrad killed 17 people, including nine firemen, according to an updated toll broadcast Sunday by Radio Moscow.

The fire at the Hotel Leningrad was caused by the implosion of a television set Saturday morning in a suite on the seventh floor, reports said. It took firemen more than five hours to bring the blaze under control.

The hotel guests included many foreigners, among them the French actress Marina Vlady, who reportedly escaped unhurt. The nationalities of the dead were not immediately known.

Alfonso Escapes Attempt to Kill Him

BUENOS AIRES (AP) — Former President Raul Alfonsin of Argentina escaped an assassination attempt Saturday night when a man pointed a gun at him and pulled the trigger, but the weapon jammed, the police here said Sunday.

Mr. Alfonsin was delivering a speech at a rally of his Radical Civic Union party, in the city of San Nicolas, some 250 kilometers (160 miles) north of Buenos Aires.

The man was rapidly subdued and handed over to the police. Carlos Castro, Mr. Alfonsin's press chief, said the attacker was identified as Ismael Abdala. Two accomplices escaped, Mr. Abdala said. Mr. Castro said Mr. Abdala claimed to be a retired member of the gendarmes, Argentina's militarized border guard.

Ex-Bulgaria Leader Going on Trial

SOFIA (AP) — Todor Zhivkov, 79, is to become the first former Soviet bloc leader to go on trial for abuse of power on Monday. Specialists said they thought that the court would find it hard to convict him.

One of Mr. Zhivkov's lawyers, Rami Tsanova, said in an interview that she would immediately seek a halt to Supreme Court proceedings because of what she called numerous "breaches of procedure" during pre-trial investigation. If the trial starts nevertheless, it will be proof that "everything has been decided beforehand," she said.

Mr. Zhivkov is charged with misappropriation of \$4 million and allowing top Communist officials to buy apartments, cars and weekend houses at what the state press agency BTA termed "giveaway prices." He resigned under pressure from the party Politburo on Nov. 10, 1989.

Swiss Reassessing Policy on Asylum

ZURICH (Reuters) — Switzerland, long a haven for victims from political persecution, says a growing wave of refugees is overwhelming the country.

"The numbers are so great that we may have to accept that we will not be able to maintain our liberal tradition on political asylum," Justice Minister Arnold Koller said.

More than 35,000 foreigners arrived at Switzerland's borders in 1990, saying they were fleeing political persecution, an increase of almost 50 percent over 1989. Per capita, Switzerland receives the highest number of appeals for political asylum in Europe. It says many applicants are not genuine victims of political persecution but merely seeking a higher standard of living.

Aquino Is Faulted on Human Rights

GENEVA (AFP) — The government of President Corason C. Aquino has not lived up to its pledge to curb human-rights abuses in the Philippines, the International Commission of Jurists says in a report to be published here Monday.

The report is the third conducted by the Geneva-based lawyers organization on human rights in the Philippines, but the first since the toppling of the former president, Ferdinand E. Marcos, in February 1986.

Analyzing disappearances, instances of torture, arbitrary killings, forced evacuation and displacement of populations, the report says that the Philippine legal system and a government-appointed human rights commission "have not been effective in redressing most abuses."

Bonn Reports on De Maiziere Case

BONN (NYT) — A government investigation of the former East German prime minister, Lothar de Maiziere, has concluded that he might have once been a secret police informant, but that he never sold information or incriminated anyone.

Interior Minister Wolfgang Schauble said there was no definite proof of Mr. de Maiziere's spying, and added that it was "entirely possible" that Mr. de Maiziere did not know the police considered him an informant. "We cannot exclude the possibility that de Maiziere assumed he was representing the position of the Protestant church in these talks," Mr. Schauble said.

Much of the information in the files dealt with the Lutheran church, of which Mr. de Maiziere was a leader. After Mr. Schauble issued his report, Mr. de Maiziere declared the matter closed and said he would resume the posts in the governing Christian Democratic Union from which he had stepped down in December.

John S. Cooper, Ex-Senator, Dies

New York Times Service
John Sherman Cooper, 89, a liberal Kentucky Republican who represented his state in the Senate for more than two decades, died of heart failure at a Washington retirement home on Thursday.

Throughout his long career in the Senate, Mr. Cooper held a reputation for absolute independence.

His first roll-call vote went against the state. So did his second vote, which prompted Senator Robert A. Taft, an Ohio Republican, to storm up the aisle and demand: "Are you a Republican or a Democrat? When are you going to start voting with us?"

"If you'll pardon me," Mr. Cooper replied, "I was sent here to represent my constituents, and I intend to vote as I think best."

In the years that followed, Mr. Cooper proved that he meant what he said. He was one of the first Republicans in the Senate to denounce Senator Joseph R. McCarthy of Wisconsin for the tactics of Mr. McCarthy's anti-Communist campaign.

When it was unpopular to do so, Mr. Cooper also opposed legislation to remove from reluctant witnesses the Fifth Amendment's protection against compelled self-incrimination.

In the Vietnam War, Mr. Cooper

AMERICAN TOPICS

Criminals' Royalties To Get Court Review

The U.S. Supreme Court has agreed to review New York state's "Son of Sam" law, which is aimed at giving crime victims the first crack at any profits the perpetrators may make from selling their stories to publishers or film producers. Simon & Schuster, the book publishers, say the law violates constitutional guarantees of free expression. The court will hear arguments next fall. The New York Times reports.

The 1977 law, which led to similar laws in 34 other states, was inspired by the serial killer David Berkowitz, who called himself Son of Sam and was sentenced to life imprisonment for murdering six persons. A \$120,000 payment he was to receive for his story was distributed instead among his victims or their survivors.

Simon & Schuster appealed a court ruling that \$96,000 it had paid to Henry Hill, the career criminal whose story is the basis for the best-selling book by Nicholas Pileggi, "Wiseguy," and the hit film, "GoodFellas," should have gone to any victims of Mr. Hill, though none have come forward.

The federal appeals court, in a 2-to-1 ruling, said that while the law does raise a constitutional question, the state has a "compelling interest in assuring that a criminal not profit from the exploitation of his or her crime while the victims of that crime are in need of compensation." Under the law, people who can prove they were victims have five years to collect book or film proceeds. The criminal gets to keep whatever is left after that.

Short Takes

Laws that forbid job discrimination because of race, age or sex should be extended to smokers, the tobacco lobby says. It is pressing a bill to that effect in New Jersey and says that laws to protect smokers already are in effect in eight states. In recent years, some employers have refused to hire people who smoke, even off the job. They are backed by those who say that smoking is an issue of health, not civil rights. A spokeswoman for GASP, or Group Against Smoking Pollution, said, "New Jersey is on the brink of a disaster. We are about to make smoking a right."

Greeting cards, once confined to Christmas and birthdays, are being crafted for more and more occasions. Hallmark offers a card that a grown child can give to one or both divorcing parents that begins, "You know your divorce has been difficult for me. Another confides, 'This is hard to say, but I think you're a much neater person when you're not drinking.'"

One seeking more definite ties from a partner is titled "I Need a Commitment." In the opposite direction is a Dear John letter under the heading, "It's Over."

More than 8,500 New York subway riders have been arrested in the past six months for evading payment of the \$1.15 fare and sentenced to two days of painting walls, scrubbing lavatories. The haul has included salesmen, artists, grandmothers and even clergymen. Last year, people who jumped turnstiles or passed through gates without paying cost the subways \$80 million. Officials say the current campaign has reduced fare-beating from 7.3 percent of all riders in August to 5.8 percent in January.

Arthur Higbee

TRAVEL UPDATE

The U.S. State Department issued a travel advisory for Thailand on over the weekend after a military coup and a declaration of martial law there earlier in the day. It said the Gulf war had also increased the threat of possible terrorist actions against U.S. citizens there. (APF)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Suriname.
WEDNESDAY: Burma, Dominican Republic.
THURSDAY: Guinea-Bissau, Nepal, Sri Lanka, Thailand.
FRIDAY: Guyana, India, Paraguay, South Korea.
SATURDAY: Burma, Ethiopia, Libya.
SUNDAY: Bangladesh, Morocco.

Source: J.P. Morgan, Reuters

WEATHER

EUROPE				ASIA			
	HIGH	LOW	PRECIP.		HIGH	LOW	PRECIP.
Amsterdam	45	35	0	Bangkok	85	75	0
Antwerp	45	35	0	Beijing	65	55	0
Athens	65	55	0	Hong Kong	85	75	0
Berlin	45	35	0	Kobe	65	55	0
Bombay	85	75	0	Manila	85	75	0
Buenos Aires	75	65	0	Shanghai	65	55	0
Calcutta	85	75	0	Seoul	65	55	0
Cairo	75	65	0	Singapore	85	75	0
Cardiff	45	35	0	Taipei	65	55	0
Chennai	85	75	0	Tokyo	65	55	0
Copenhagen	45	35	0				
Dallas	65	55	0				
Dublin	45	35	0				
Edinburgh	45	35	0				
Geneva	45	35	0				
Hankow	65	55	0				
Hong Kong	85	75	0				
London	45	35	0				
Los Angeles	65	55	0				
Lyons	45	35	0				
Madrid	65	55	0				
Moscow	45	35	0				
Munich	45	35	0				
New York	65	55	0				
Osaka	65	55	0				
Paris	45	35	0				
Philadelphia	65	55	0				
Portland	45	35	0				
San Francisco	65	55	0				
Seattle	45	35	0				
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EC to Give Ethiopia \$387 Million in Aid

ADDIS ABABA — The European Community will grant Ethiopia \$387 million in aid over the next five years, an EC official said.

The official, Dieter Frisch, director of development for the EC Commission, said the money would be used for rural development and small-scale industry and agriculture, with the emphasis on the private sector.

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More than 8,500 New York subway riders have been arrested in the past six months for evading payment of the \$1.15 fare and sentenced to two days of painting walls, scrubbing lavatories. The haul has included salesmen, artists, grandmothers and even clergymen. Last year, people who jumped turnstiles or passed through gates without paying cost the subways \$80 million. Officials say the current campaign has reduced fare-beating from 7.3 percent of all riders in August to 5.8 percent in January.

Arthur Higbee

On Saturday, Mr. Alfonsin delivered a radio speech in defense of Mr. Hoxha and urged "Communists and patriots" to "isolate the vandals and terrorists." (APF, AP)

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WAR IN THE GULF: Behind the strategy of a swift assault, political as well as military considerations

Allies Look Beyond Kuwait Core Armored Divisions in Iraq Are Crucial Target

By Joseph Fitchett

International Herald Tribune
PARIS — Although allied officials are guarded about it, the coalition has raised its sights beyond freeing Kuwait to crushing the armored divisions of the Republican Guard in southern Iraq, the core of Iraq's fighting strength.

The unfolding battle plan of the allied offensive launched Sunday is therefore likely to include crucial battles in Iraq as well as in Kuwait.

Tackling the brunt of Iraq's armored divisions is the key to a Baghdad surrender, and that rationale is being publicly advanced by allied governments in part to justify taking the ground war into Iraq.

Bush administration officials have made it plain that they expect the allied offensive to smash Iraq's military power so that it cannot pose a further threat to Kuwait — and possibly so that President Saddam Hussein can be driven from power.

"Saddam has always accepted the last offer too late," a U.S. official said. "The last offer was Kuwait, and now that has been superseded by a war."

"Whatever nice people expected in an operation under UN auspices, this war is being fought until Baghdad surrenders."

That main battle has not started. Reports Sunday suggested that the deepest allied push into Iraq was still perhaps as much as a day's fighting away from the main Iraqi force. These are the elite Republican Guard armored divisions, mostly dug in around Basra as a strike force kept intact to counter the main allied thrust.

In what appears to be a giant allied pincer movement, a mobile column reportedly has raced around Kuwait's western edge to cut the highway to Baghdad that would offer the main line of retreat for Iraqi forces in Kuwait or for the Republican Guard.

Speaking that strike force are fast-moving U.S. airborne and French light armored units that are hoping to seize the highway, bottling up Iraqi units and allowing time for U.S. Abrams and British Challenger heavy tanks to come up and take on the Republican Guard's Soviet-made T-72 tanks.

"By the time the Republican Guard knows which direction to

NEWS ANALYSIS

move," an allied military planner said, "we will be all over them with anti-tank helicopters and then tank columns."

"They are not going to have time to get away."

Coalition governments do not have to worry anymore, a European official said, about what heavy armaments the Iraqi forces will manage to take home.

"None," he declared.

Speed in bottling up Iraqi forces seems to be as crucial for the allies as their power in battering down the elaborate Iraqi defenses in Kuwait. One consideration, allied officials said, is the need to limit the political backlash that drawn-out fighting could trigger in Arab and Muslim countries.

Speed is critical, above all, they said, because the coalition hopes to prevent Iraq's offensive forces from escaping a total defeat that could topple Mr. Hussein.

Brent Scowcroft, the head of the National Security Council, said on television Sunday in Washington that the toppling of Mr. Hussein is the desired result of the allied offensive. Now that the land war is under way, he said, the coalition's objective is to strip Iraq of any military capability beyond what it needs for its own defense.

Defense Secretary Dick Cheney said there would not be "any sanctuary" for Iraqi troops, even

if they were seeking to retreat to Baghdad.

Allied governments, while anxious to avoid creating the impression that their forces are occupying part of an Arab country's territory, judge that the war's momentum will justify a major coalition action in southern Iraq, officials said.

It is revealing of this view, they said, that the allied column deepest in Iraq involves French forces — armored units of the Foreign Legion experienced in desert war from service in Chad.

France had been vague publicly about whether its forces would operate on Iraqi territory, but an aide to President François Mitterrand said the government had given the green light weeks ago to this role if Iraq refused to negotiate and ground war became unavoidable.

By pinning up Iraq's best armored and artillery forces, the coalition could make Baghdad negotiate for the release of an imprisoned army in a slice of Iraq controlled by allied forces.

To cut off Iraq's forces, the allies have adopted a high-powered version of the blitzkrieg strategy of Nazi Germany, sending tank columns racing in an arc behind the main enemy formations to surround and pound them into surrender.

Even more than the Wehrmacht, the allies are counting on surprise after the allied air campaign to blind Iraqi commanders by knocking out their reconnaissance and communications facilities.

And the allies have resupply capacity for fuel-guzzling tanks that give them much greater mobility and capacity for surprise than Field Marshal Erwin Rommel's tanks in the desert war in North Africa in World War II or than the Israeli armored column that cut off the Egyptian Third Army in the 1973 Arab-Israeli war.

In Timing The Assault, U.S. Juggled Vital Factors

By Barton Gellman

Washington Post Service

WASHINGTON — The timing of the ground offensive involved a complex calculus in which vital factors remained unknown and many known factors conflicted.

"It's a 1,000-piece jigsaw puzzle and you've only got 100 pieces in your hands," said a congressional official who has access to intelligence briefings. "In the end, you have to make a judgment."

Perhaps the most crucial unknown factor, officials said, was the remaining combat effectiveness of the Iraqi Army — "their fighting will," in the words of Rear Admiral John McConnel, intelligence director of the Joint Chiefs of Staff.

Allied intelligence officers tried to count damaged vehicles and supplies, and they had anecdotal evidence from line-crossers and soldiers captured in combat. But no one knew definitively whether the Iraqis remained capable of fighting as cohesive combat units.

Senator Sam Nunn, Democrat of Georgia, who advocated delaying a ground war, said last week that allied pilots had not reached "the flat of the curve" in attacks on dug-in Iraqi forces. But Defense Secretary Dick Cheney, who said Saturday night that the air campaign had lasted "as long as possible, to destroy as much as possible," said the time had come to take the campaign to the ground.

Before U.S. planners could even consider a full-scale land assault, their forces on the ground had to be ready. The last units of the 3d Armored Division, which packs much of the combat punch of the army's 7th Corps, received their tanks and heavy equipment from Germany more than two weeks ago.

Military officials, who described U.S. forces as "leaving forward" and at a "razor's edge" of readiness, began warning in recent days that troops could not hold peak alertness very long.

"If you are that poised, that far advanced," a Pentagon official said before the attack was announced, "you want to proceed fairly soon so you can be at your best."

Officials cited these additional factors in deciding to begin ground operations:

- Tactical surprise about the time and place of the attack. Some in military circles counseled delay, arguing that Iraqi forces were likely to expect an attack immediately after the deadline at noon Saturday, Washington time. But other officials said it was more important to achieve surprise on the location than on the timing of the attack.

- A forecast of clear weather. The start of the ground offensive required a major surge in air sorties — one official estimated that sortie rates could double for a short time, to more than 3,000 a day. So U.S. commanders were loath to begin without a forecast of three days of clear weather. Ground commanders wanted to know which way winds would blow vast clouds of smoke from burning Kuwait oil fields.

- The phase of the moon. American night-vision equipment used by pilots, ground vehicle drivers and gunners — and by many infantry troops — provides maximum advantage over unequipped Iraqi forces when there is just enough moonlight for the night goggles but not enough to permit the Iraqis to see with the naked eye. The new moon, which provides too little light, was Feb. 14. The full moon, which provides too much, arrives Thursday.

- For an amphibious assault, the tide level. A high tide is preferable for an amphibious landing from positions in the Gulf. Although modern amphibious assaults involve helicopters and Hovercraft as well as more traditional landing boats, high tides provide fewer obstacles on most beaches, according to experts.

- The amount of information on Iraqi forces. No ground commander ever knows as much as he would like to about the disposition of enemy forces, officials said, and each day brings more information from satellites, observation planes and ground patrols. On the other hand, officials said, some categories of intelligence have a short shelf life. What intense allied reconnaissance probes discovered about nearby concentrations of Iraqi forces would quickly have grown stale if not put to use.

- The accelerated Iraqi destruction of Kuwait. U.S. intelligence reports beginning Friday indicated that Iraqi occupiers were increasing their attacks on Kuwaiti oil facilities and killing more Kuwaiti civilians. Some officials said this added fuel to the allied intention to move soon.

"The notion that Saddam Hussein should be permitted to get away scot-free, without being held accountable for his actions, or without having to pay reparations, for example, was unacceptable from the standpoint of the coalition," Mr. Cheney said.

Israeli Official Cancels Trip
JERUSALEM — Foreign Minister David Levy canceled a trip to Luxembourg on Sunday hours before he was due to leave. He had been scheduled to meet with officials from Britain, France and Italy for talks to promote Israel's security needs in a postwar Middle East.

NATO: Learning Lessons from the Gulf

General John R. Gavin, supreme allied commander in Europe, who also commands the U.S. forces in Europe, spoke with Joseph Fitchett of the International Herald Tribune about the Gulf conflict's impact on thinking about future Western security.

Q. In the battle for Kuwait, is the international coalition benefiting from NATO experience?

A. Definitely. Mobility — of the kind the coalition is displaying in the Gulf — is a strategic principle that we have worked on a lot in NATO. The air-land battle concept of using air and ground forces together, developed for the alliance, means that we are succeeding in the Gulf because of the tremendous orchestration of our military power.

That has de-orchestrated, de-synchronized Saddam's forces; he has simply not been able to put it all together. Part of the future of combat is that you have to be able to succeed in coordinating in three dimensions — on land, in the air above the troops and in the sea underneath surface warships.

Q. Are lessons emerging from the Gulf for NATO's military doctrine?

A. It shows that the ideas we have come up with for the future seem to be viable, in which smaller forces depend on high mobility and high quality. In addition, NATO's vision of multinationality is being borne out in the coalition.

The Gulf shows that we have to be able to fight in highly technological conflict. It means that we will have to relook an old problem — standardization and maybe even rationalization, where one nation takes on only some tasks. A smaller nation might take minesweeping and a larger nation the operation of carrier task forces.

We are also going to have to plan for new missions meeting a wide variety of possible threats.

Q. Do you mean that NATO is likely to

confront military crises outside the central front around Germany, which is the alliance's traditional focus?

A. NATO leaders have said that the question of out-of-area operations will have to be looked at, but later on. But I don't know how much NATO is going to change on this point. Nations may continue to approach this in an ad-hoc manner, perhaps with some changes in NATO to facilitate this.

Q. What does this mean about NATO's future role?

A. We're going to have to come up with a strategy that does not just prepare for defense

MONDAY Q&A

but emphasizes far more the idea of crisis management. This means that in a crisis you don't sit on your hands but you do military things that will bring greater stabilization to the area of crisis.

Right now in Turkey, we have deployed deterrent air power, force-multipliers such as air defense and radar aircraft and also lots of chemical-warfare protection — all defensive, nonprovocative military capability that political leaders can use.

Q. Was that NATO's most critical contribution in this crisis?

A. Mobility, as I said, has been crucial, and that means more than just C-5 transport aircraft and sealift. It means friends across half the world who say "use my base." Why do they do that? Because the United States has been committed to them. It is part of a heritage earned by years that U.S. forces have been forward-deployed and shared the risks with their allies.

Q. If the Gulf crisis had erupted three years from now, could the allies have handled it?

A. I was already sending home U.S. forces, so three years from now I would have had less in Europe to send to the Gulf. The same is true of European countries. So we would have had less forces immediately available.

Now, because of the Gulf crisis, force structures will not go down as quickly or as much as had been planned. Five years from now, the forces in the central region of Europe — U.S., British, Dutch, Belgian and, of course, German — will probably have been reduced by about half.

Q. What if the treaty on conventional forces in Europe — which was supposed to lower the East-West military level there drastically — collapses because of Soviet cheating?

A. The Russians are doing some things that violate the spirit and the letter of the treaty, particularly the conversion of three infantry divisions — with their armored equipment — to naval infantry, which the Soviets claim would then exclude them from the treaty's provisions. But I still think that we will get a treaty.

We need a lot of communication with the Soviets to try and thrash out security concerns.

Q. The Bush administration has warned that NATO must respect certain criteria to keep a full U.S. commitment: NATO has to remain the center of trans-Atlantic security discussions, there must be no risk of the United States facing facts accomplished from a European caucus, no ally such as Turkey can be marginalized in collective defense discussions. Do you agree?

A. Europeans wish to play a stronger role in their own security and the United States has expressed this same wish, sometimes calling it burden-sharing. But that strong role for Europeans should not in any way diminish their linkage to the United States.

Ever since the end of World War II, successive U.S. administrations have promoted European unity, from the Marshall Plan to winning the Cold War. Recently, some worrisome areas have emerged in trans-Atlantic relations, such as GATT. So it is important that everything we do, especially in the alliance, should bring us closer together.

Palestinians See Themselves as Casualties

By Jackson Diehl

Washington Post Service

BEIT SAHUR, West Bank —

Confined to their homes by a renewed Israeli military curfew, Palestinians in the occupied territories Sunday faced the bitter prospect that their backing for Saddam Hussein was ending in another catastrophe for their national cause.

Political activists were already calculating the losses that Iraq's defeat would bring, both to the 1.7 million Palestinians under Israeli rule in the West Bank and Gaza Strip and to the leadership of the Palestine Liberation Organization abroad.

"The Palestinians lost a lot. We lost almost everything that was

gained in three years" of the intifada uprising against Israeli rule that began in 1987, a PLO activist said. "The PLO should have been more cautious and should have played the game better than they played it. Now we are going to pay for our support for the PLO and for Iraq."

Few Palestinians seemed ready to abandon their sympathy for Mr. Hussein, who stirred powerful emotions here with his readiness to confront Israel and to demand that its occupation of Arab territory be addressed. Most seemed enraged by the U.S.-led military offensive, which they often describe as a Western crusade to destroy Iraq and subjugate the Arab world.

Still, many also appeared angry at their own leadership, including the PLO chairman, Yasser Arafat, for fostering such a high-profile association with the Iraqi leader that it appeared to compromise the Palestinians' own quest for a homeland.

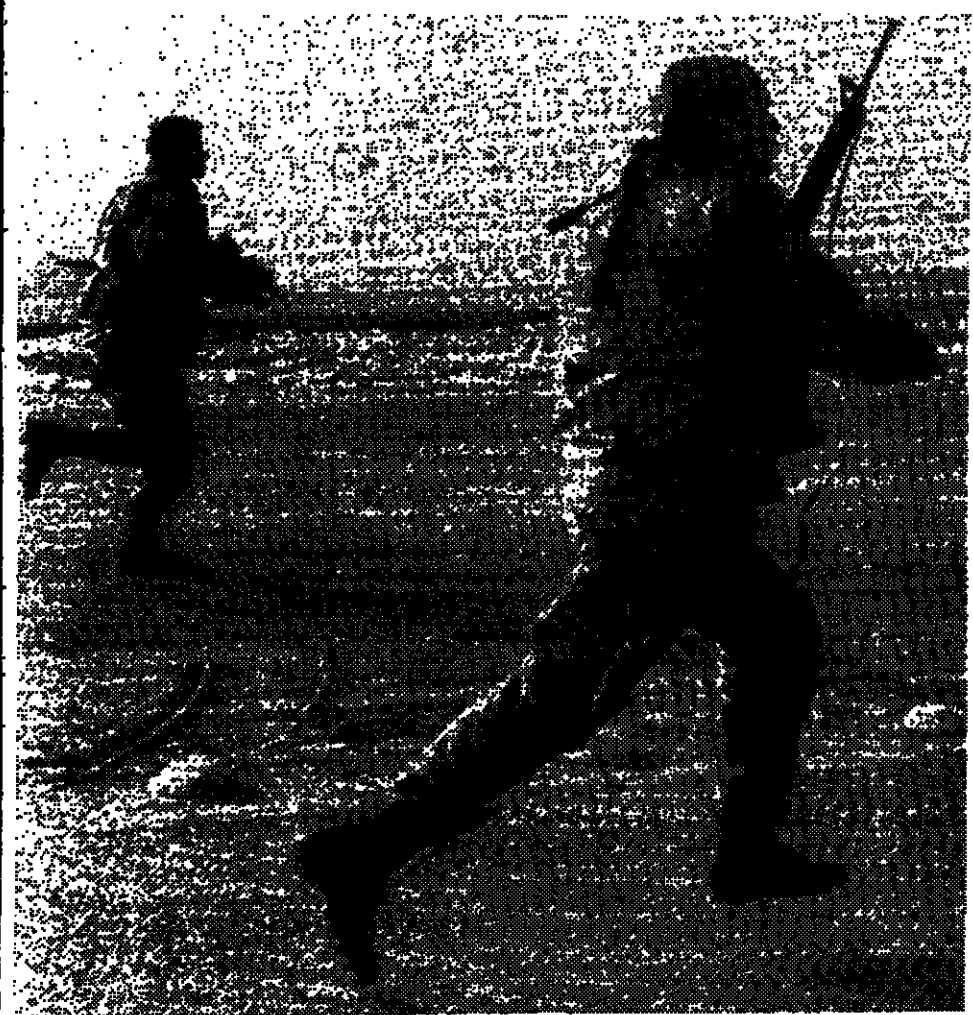
"I have to say, one should expect better from someone who is supposed to be the Palestinian president. What a fool Yasser Arafat has been," said a merchant in Jerusalem's Old City.

"Always Arab leaders have promised to defend the Palestinians, and always they have betrayed us," the merchant said. "Surely Arafat could have anticipated this, and kept some kind of distance from Saddam. Now the whole world will blame us for

crimes for which we are not responsible."

Even before the outcome and consequences of the allied ground offensive in Kuwait were clear, the political and economic losses of the Palestinians were mounting rapidly. Iraq had abandoned its effort to link a settlement of the war to the Palestinian issue, wrecking popular hopes here and stranding Mr. Arafat, whose standing in a host of Western and Arab capitals has been badly damaged.

In the Gulf, hundreds of thousands of Palestinians faced expulsion or other retribution after the war from Kuwait, Saudi Arabia and the smaller emirates, all of which appeared anxious to punish the PLO.



Two U.S. Marines sprinting up a road in Kuwait during their advance Sunday with Saudi troops.

The Strategy: A Decisive Blow

War Plan Calls for Quick Encirclement of Iraqi Forces

By Michael R. Gordon

New York Times Service

WASHINGTON — The goal of the ground offensive is to encircle the Iraqi Army in southern Iraq and in Kuwait rapidly, while continuing to subject Iraqi forces to a withering bombardment from the air, according to Pentagon officials.

The U.S. war plan calls for a swift, armored penetration into Iraq by U.S. Army divisions to cut off the Republican Guard forces in southern Iraq and the other Iraqi forces in Kuwait. The guard troops and weapons are considered the core of Iraqi military strength.

At the same time, Arab and other allied forces will try to pin down Iraqi troops along the Saudi-Kuwait border and probably drive through holes in the defenses in a push into Kuwait and Kuwait City, according to U.S. and allied officials.

The military aim of this strategy is to deliver a quick and decisive blow to Iraqi forces while keeping U.S. casualties low. But the strategy also reflects important political considerations.

A senior official from an allied nation said it was understood that U.S. troops would not stay too long in Iraqi territory after their sweep through Iraq to encircle the Republican Guard, so as to counter any impression that Western forces were occupying an Arab nation.

For the same reason, U.S. forces are not planning to drive too deeply into Iraq, and will not venture much north of Basra, if they go that far, the allied official said.

Arab troops — the forces of Ku-

wait, Saudi Arabia, Egypt, Syria, Oman, Qatar, Bahrain and the United Arab Emirates — have been given a visible role in fighting Iraqi troops on the Saudi border to demonstrate that Iraq is not just fighting the United States, though the main flanking attack will be carried out by U.S. Army forces.

The Pentagon has said that Kuwait troops will be at the head of the troops liberating Kuwait City. Bush administration officials de-

NEWS ANALYSIS

clined to give details of the attack plan. But the essence of the allied strategy has been clear for weeks from the position of U.S. and allied forces in Saudi Arabia.

The army's 18th Airborne Corps and 7th Corps have been deployed west of the Wadi al Batin, which runs along the Kuwait-Iraq border into Saudi Arabia.

By stationing the army divisions in this area, the U.S. forces have been in a position to launch a major armored thrust into Iraq with more than 100,000 men to outflank the Republican Guard.

A Pentagon official said the war plan called for the 7th Corps, which is made up primarily of armored forces, to sweep north and then east to cut off the Republican Guard. The official said he expected the 18th Airborne Corps, which includes airborne and assault helicopter forces, to protect the western and northern flank of the main attacking force.

Some military experts have also speculated that there could be a U.S. airborne assault well west of

Basra at some points on the roads running along the Euphrates River in order to cut off supplies to the Iraqi forces at the front.

British armored forces have been deployed somewhat to the east of the U.S. units in northern Saudi Arabia, and are expected to play an important role in the attack.

To the east of the British forces are Egyptian and Syrian units. U.S. Marines have been deployed east of the Egyptians and the Syrians. Saudi troops and forces from Gulf nations have been deployed near the coast.

More than 17,000 Marines are deployed on ships in the Gulf for a possible amphibious landing.

A senior official from an allied nation said he expected the Arab forces to push through Iraqi defenses along the Saudi border in a move that could entail significant casualties.

An important element of the Bush administration's thinking in deciding to launch the ground offensive now was that U.S. air power had sufficiently weakened the Iraqi military for a land campaign to be effective.

About 40 percent of Iraq's 4,200 tanks in Kuwait and southern Iraq have been destroyed, according to figures from the U.S. Central Command.

"Their highly centralized command and control structure has been damaged," a senior official said.

"Our military philosophy is to keep up the pressure," the official said. "To keep hitting them with new things and surprises, to keep them reeling and off balance."



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WAR IN THE GULF: Meanwhile, in Baghdad, a strange semblance of normal city life

Arabs Divided by Offensive

Angry Jordan Urges Halt While Saudis Hail Operation

Compiled by Our Staff From Dispatches

NICOSIA—Arabs sympathetic to Saddam Hussein denounced the allied ground offensive on Sunday as a premeditated effort to destroy Iraq, but backers of the coalition said the Iraqi leader alone was to blame.

In Jordan, where pro-Hussein sentiment is widespread, the government expressed "great sorrow, anger and condemnation" over the offensive. The state press agency quoted an unidentified official as saying that Jordan "calls on the international community to stop this war immediately."

Tunisia said it was "deeply disappointed" by the attack, and leaders of most Algerian political parties also condemned it.

"This is proof that the United States had no other goal except to destroy Iraq," said Hocine Ait Ahmed, leader of the opposition Socialist Forces Front in Algeria.

In contrast, the Saudi government, host to the allied forces, issued a brief announcement on Sunday saying that the allies had "commenced their ground war to liberate sister Kuwait in line with the Operation Desert Storm plan."

It added, "From God we derive support and success."

In Syria, another member of the allied coalition, the official media reported the start of the offensive without comment. But Tishrin, a state-run Damascus newspaper, said Mr. Hussein's government bore the blame. An editorial said that the Iraqi leadership could have avoided the war by withdrawing from Kuwait in response to Arab efforts "but it didn't."

But the Democratic Front for the Liberation of Palestine, a radical Palestinian faction based in Syria, accused the allies of a criminal act and urged Arab countries to sever diplomatic and economic ties with coalition nations.

Yemen, along with Jordan, has supported Iraq during the crisis.

"There's no need for a ground war," said Yemen's ambassador to the United Nations, Abdallah Saleh al-Ashtal. "It's unjustifiable. It's unnecessary."

In Amman, meanwhile, a Spanish television crew was beaten up while trying to interview people. Palestinians advised Western journalists there to keep away from refugee camps where anti-Western feeling was intense.

About 100,000 Yemenis took to the streets, denouncing President Hosni Mubarak of Egypt and President Hafez Assad of Syria for sending troops to help the U.S.-led forces.

Sentiment in the Gulf, where small states are fearful of Mr. Hussein's ambitions, is overwhelmingly anti-Iraq. Calm confidence was the general mood.

In Tunis, the Palestine Liberation Organization urged the Soviet Union, China and Arab, Islamic and Nonaligned countries on Sunday to help Iraq confront what it called the U.S.-led allied aggression.

A statement issued after a meeting of the PLO executive committee said that "the Palestinian people is firmly at the side of Iraq, resistance and heroism against this planned aggression by the American administration and its allies."

(AP, Reuters)

During Bombing Lull, Inured Baghdad Waits

Baghdad—The people of Baghdad gathered in cafes and on street corners Sunday as radios blared out patriotic music, fight-to-kill slogans for soldiers and announcements of battle victories.

Civilians, enduring their nation's second war in a decade, seemed relatively calm, despite the allied land offensive against Iraq's army in Kuwait, 800 kilometers (500 miles) south.

There was the semblance of normal life in the city, which has been the target of relentless bombardment. It was difficult to believe that one of the most violent conflicts since World War II was taking place on the nation's doorstep.

People were queuing around radios in coffee shops and on the sidewalks at 10:30 A.M. (07:30 GMT) eagerly listening to President Saddam Hussein's speech announcing the start of the ground assault.

Two hours earlier, the official Baghdad Radio, without saying a word about a land attack, had been broadcasting messages to the "courageous Iraqi soldiers of God."

The soldiers were urged to fight and kill the enemy "without mercy in defense of the homeland." The radio also called on Iraqi soldiers "not to allow the invaders' feet to touch Iraq's sacred land."

Later, people heard a military statement that the allied offensive had been repulsed.

Sunday is a normal business day in Baghdad. City markets were crowded with shoppers. Restaurants and shops were also open, but there was little traffic, as only a few motorists could get gasoline, which is being strictly rationed.

Air raid sirens sounded three times, the last at 3 P.M., but no explosions were heard in the heart of the capital. Six to eight surface-to-air missiles were fired toward a white smoke trace apparently left by one of the raiding warplanes.

It was a quiet day following a series of huge explosions — apparently from U.S. cruise missiles — that rocked the city Saturday night.

Saber Salman, 38, a street vendor, holding a small radio set to his ear, said, "I have been listening to the news and I hope that the war ends as soon as possible. War is a terrible thing."

A shopper said, "I am sure Iraq will win the war. We have been impatiently waiting for the ground battle. The U.S. and its allies are now aiming at our country and at our regime. It is not a war to liberate Kuwait as they claim."

Iraqis are reliving the traumatic atmosphere of their eight-year war with Iran, in which a million died.

Mohsen Saadoun, 32, a government employee, said: "It is strange that now the Iranians support Iraq, and Tehran has become a route junction for Iraqi officials to travel abroad."

In fact, Iran has declared neutrality in the war, condemning the Iraqi invasion of Kuwait but also opposing the presence of foreign forces in the region.

More than 15 Iranian journalists are in Baghdad covering what is happening to their former foe.

Iran Faults Allies and Iraqis, Too

Compiled by Our Staff From Dispatches

TEHRAN—Iran criticized the allies on Sunday for launching a ground war against Iraq but implicitly blamed Baghdad for refusing to withdraw from Kuwait in time.

President Hashemi Rafsanjani said Iran and the Soviet Union had been on the verge of obtaining an unconditional Iraqi pullout but that the United States turned it down because it was seeking more than an Iraqi pullout from Kuwait.

Mr. Rafsanjani, quoted by the Iranian press agency, IRNA, laid some of the blame for the fighting on Iraq, saying that Baghdad had failed earlier this month to endorse Iranian peace proposals.

"If the Iraqis had given a positive response to our call sooner, the situation would be different now," he was quoted as saying.

On Saturday, Iraq accepted a six-point Soviet initiative to withdraw from Kuwait, but the United States dismissed it.

Referring to a telephone conversation that he had Sunday night with President Mikhail S. Gorbachev of the Soviet Union, Mr. Rafsanjani said that they had agreed to work together for a peaceful settlement in the Gulf.

"It was agreed that Mr. Gorbachev double his efforts in persuading the U.S. and its allies to give more time to Iraq to accept the conditions. And we were also to get in touch with the Iraqis and ask them to begin their withdrawal."

"However, the U.S. and its allies proved that they are after something beyond a mere Iraqi pullout from Kuwait," he said. Mr. Rafsanjani said he regretted the start of the offensive and pledged that Iran would "pursue its efforts to prevent tragic developments in the region," Tehran Radio reported.

Iranian hard-liners, meanwhile, condemned the ground offensive and warned that Muslims would seek revenge.

(AP, Reuters)

The Analysts' View: Day 39

Four strategists pick the major development in the last 24 hours of the war.



Robert Hunter, Francois Heisbourg, Ze'ev Schiff, Abdul-Karim Abou-Nasr

ROBERT E. HUNTER
Vice President of the Center for Strategic and International Studies in Washington.

The U.S. commitment to a military decision carries its own logic and will proceed to its conclusion. The principal U.S. war aims remain their relative priority: to destroy as much of Iraq's future military capacity as possible; to limit coalition casualties; and to fulfill the formal mandate of the UN resolutions. The battle having taken on a life of its own, politics are in suspense.

FRANCOIS HEISBOURG
Director of the International Institute for Strategic Studies in London.

The "mother of all battles" has now begun in earnest. For the coalition to succeed politically as well as militarily, the encirclement and/or destruction of Iraqi forces in and around Kuwait must be decisively accomplished within a matter of days. Otherwise, even a defeated Iraqi leader will earn an image of adequate resistance vis-à-vis the crushing weight of the coalition forces.

In addition, authoritative details about the coalition's advance should not be delayed for too long. Otherwise, all sorts of unverified rumors will spread not all to the benefit of the coalition.

ZE'EV SCHIFF
Military editor of the Tel Aviv daily Ha'aretz.

Within 48 hours of the start of the ground offensive, after key battles are undoubtedly fought (including a clash with the Republican Guard), it will be possible to gauge how successful the Allies have been in this difficult phase of the war. If they also aim at the vital targets outside of Kuwait, it will become clear that one of Saddam Hussein's greatest mistakes is that he lacks a national strategic reserve, to be used in case of an unexpected development, because he deployed all his forces in Kuwait and the immediate environs.

ABDUL-KARIM ABOU-NASR
Editor and political commentator with leading Arab publications since 1965; now working with a Kuwaiti daily, Al Qabas.

Saddam Hussein's statement, shortly after the ground offensive began, reflects a more realistic — and now desperate — mood than Baghdad revealed at any previous turning point. The Iraqi leader's tone — defiant but now sounding cornered — reflected his frustration at failing to avert the all-front operation in which he knows his army will be defeated. His forces' fighting spirit is likely to be weakened by Iraq's abandonment of Kuwait during fruitless last-minute diplomatic maneuvers. The political deal that Saddam is facing reflects the coalition governments' determination to reject any deal with his regime, leaving Iraq isolated and facing the greatest risk since it became a republic.

IRAQ: 'Fight Them' a Defiant Saddam Hussein Urges

(Continued from page 1)

of the values of manhood and the military which you shoulder," he said.

"Fight them and show no mercy towards them," he said. "For this is how God wishes the faithful to fight the infidel."

He ended the radio broadcast by repeating "Allah Akbar," or "God is great," three times, and declaring, "Victory is sweet with the help of God."

The theme recurred in a series of commentaries and exhortations issued throughout the day by Baghdad radio. But Iraq also seemed to be casting about for support from fellow Arabs and Muslims and

possibly, terrorist cells outside Iraq.

"Come, a honorable ones, to the trench of faith and join its ranks without hesitation," one such statement said. "Together we will hit the enemies of the nation, the enemies of history, and the enemies of humanity."

"Destroy their interests wherever they may be and slay them wherever we catch them," it declared.

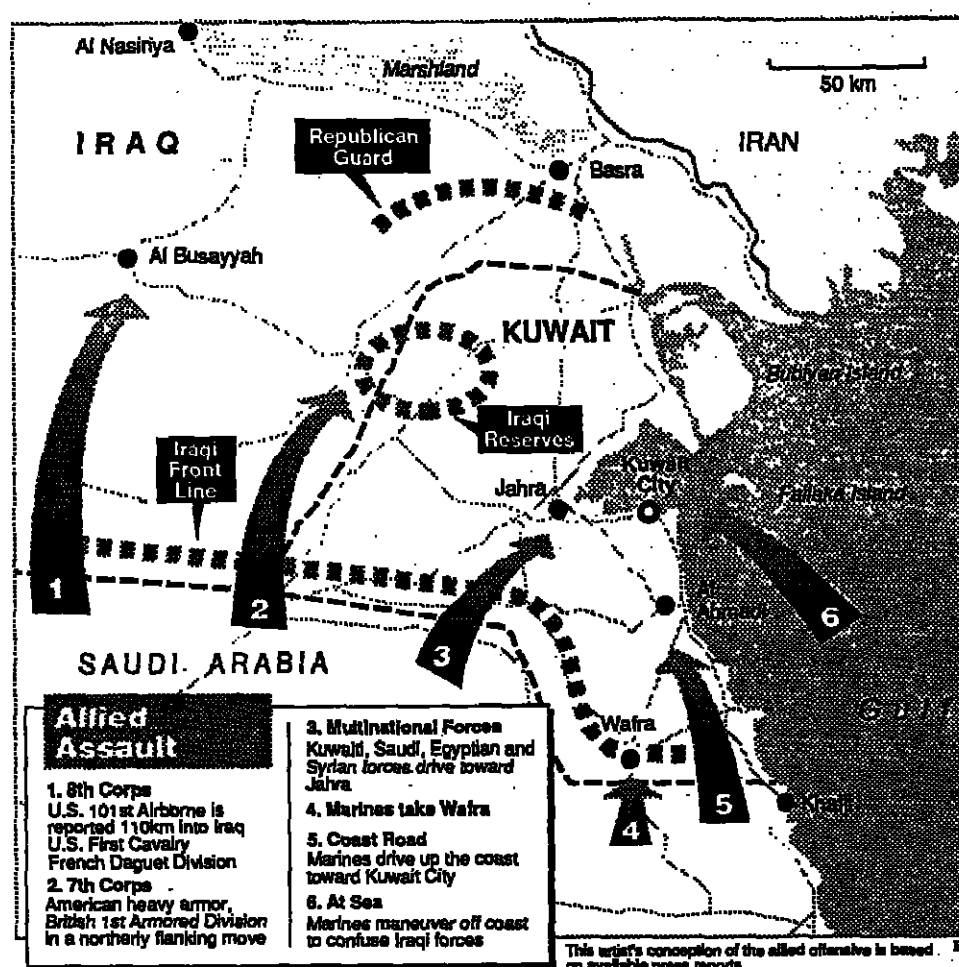
Another said, "The great epic has begun and the cowardly armies of America and its allies are fleeing in panic."

One statement seemed specifically directed at Iraq's supporters elsewhere. "We don't want demon-

strations or sit-ins," it said. "We call on all Arabs, the estimable and people of honor in the entire world to hit American interests and those of the coalition wherever they may be."

In its military statements, Iraq denied allied reports that it had lost control of Fakhila Islands, controlling the sea approaches to Kuwait City.

"Our units have contained the enemy's offensive and thwarted the assault of the 30 unsuccessful countries which Bush, enemy of God and humanity, is leading," said military communique No. 60, issued about 10 hours after the offensive started.



WAR: Thrust Reported to Reach Edge of Kuwait City

(Continued from page 1)

the first to cross the high sand berm along the Saudi frontier and they quickly overran the first minefields, barbed wire and other obstacles.

The Iraqis, according to a Marine spokesman, Lieutenant Colonel John H. Haly, "are fighting. They're resisting."

General Schwarzkopf said the allied forces were going "to go around, over, through, on top, underneath and any other way they can" in the campaign to push the Iraqis out of Kuwait.

Iraq contradicted General Schwarzkopf's assessment. It said in a communique broadcast by Baghdad radio that the allied forces were "being subjected to lethal fire from our heroic units."

A French-led division, including members of the Foreign Legion, and a brigade of U.S. paratroopers penetrated 30 miles inside Iraq, captured 1,000 prisoners and seized a large amount of material, according to the commander of the 14,000-strong French contingent, General Michel Roquejeoffre. He said one French soldier was wounded in the operation and that his life was not in danger.

But Brigadier General Richard I. Neal of the U.S. Marines warned that while some units may have been eliminated as an effective fighting force, others retained most of their war-fighting capacity.

Forces from 11 nations took part in the attack: the United States, Saudi Arabia, Britain, France, the United Arab Emirates, Bahrain, Qatar, Oman, Syria, Egypt and Kuwait. In addition, pilots from Canada and Italy participated in air strikes.

Asked specifically how long the campaign might last, the general provided no insight, saying: "It's going to take as long as it takes for the Iraqis to get out of Kuwait and the UN resolutions to be enforced."

The allies could face a number of setbacks. Although some Iraqi forces were said to be retreating, it was not clear whether they were giving up the fight or moving to more secure territory. Although General Schwarzkopf called initial reports of chemical attacks "bogus," there was no guarantee that chemical weapons would not be used in future days.

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WAR IN THE GULF: Frustrated after 10 days of attempts to prevent land war, the Kremlin gives vent to some bitterness

His Peace Bid a Failure, Gorbachev Is Left to Ponder What Might Have Been

By Serge Schmemmann

New York Times Service

MOSCOW — If there is still some question about President Mikhail S. Gorbachev's motive in launching his mediating effort, there is no mistaking his regret at its failure.

Issuing the official eulogy at a press briefing, the Foreign Ministry spokesman, Vitali I. Churkin, intoned: "The Soviet Union expresses regret that a most realistic chance to secure a peaceful outcome of the conflict and achieve the goals set by United Nations Security Council resolutions without further casualties and destruction has been passed up."

In deep political trouble at home and his reputation tarnished abroad, Mr. Gorbachev had taken a gamble. Somewhat like President Richard M. Nixon grasping for another foreign laurel in Egypt in 1974 when his presidency was collapsing at home, Mr. Gorbachev had seized on Iraq as a cause that might retrieve some of his lost glitter.

Had his 11th-hour gambit worked, he might have become for another moment at least the "Gorby, Gorby"

of old, the master statesman and Nobel laureate drawing on good will, diplomacy and the vestigial prerogatives of superpower status to snatch peace from the fiery maw of war. He could have taken an honorable seat at the peace table, claiming for the Soviet Union the influence in the Middle East that it has so ardently sought in the past. Washington probably would have been miffed at letting President Saddam Hussein escape from its clutches.

NEWS ANALYSIS

But nobody could have charged that Mr. Gorbachev was wrong in achieving that which the United Nations, after all, had declared as the goal — to liberate Kuwait. Probably more important to Mr. Gorbachev at this point in his reign, he would have stripped the hard-liners at home of an issue they have been using with increasing force to batter the foreign policy of East-West harmony and cooperation that Mr. Gorbachev and Eduard A. Shevardnadze, his former political comrade and foreign minister, had shaped.

To the generals and the thick-fisted provincial Com-

munist chieftains, the spectacle of America raining state-of-the-art weapons against an erstwhile ally and arms client — and doing it with Moscow's formal blessing — seemed to symbolize their lost might and their lost face.

Eastern Europe was already "lost," there was no stopping the retreat of Soviet troops from Germany nor the formal burial of the Warsaw Pact, the medium-range rockets were gone and the big ones were to follow, military expenditures were way down. And now Stealth bombers and laser-guided bombs were wreaking unopposed havoc south of Soviet borders.

Day after day, the rightists poured out crocodile tears for the "annihilation" of Iraq's population and economy at the Supreme Soviet, over the increasingly conservative television news program, Vremya, and in Krasnaya Zvezda, the army newspaper.

In one of those coincidences that suggested even the Fates were in on the action, the land war in Iraq was launched on Soviet Armed Forces day, a traditional occasion for rightist chest-beating. Fireworks erupted an hour after the expiration of the American ultimatum, and Defense Minister Marshal Dmitri T. Yazov pro-

claimed in Pravda that "there can be no justification for annihilating absolutely innocent people."

To be sure, there were genuine foreign policy goals in the Soviet mediating effort. Certainly Moscow had every right to claim a role in a region where it had long wielded considerable influence, and Moscow had every reason to stop the West from running over a country just beyond the Soviet Union's southern flank.

There was no telling, too, how the trouncing of Iraq would play with the Soviet Union's Muslim millions. In the end, his mediating bid having failed, Mr. Gorbachev and his aides were left to pick up the pieces.

The task was not easy. The Soviet leader had to convince the United States he had intended no mischief, that his motives had been pure and that he remained utterly committed to the "new thinking" in foreign policy that had sharply turned down the Cold War and the arms race. He could not do otherwise, as a senior Western diplomat in Moscow made clear — at this point, the Soviet Union simply could not afford the ruinous confrontations of the past.

"No oracles," Mr. Gorbachev was reported to have

told President George Bush by phone, "could undermine the choice taken by the leaders of the two countries" to better their relations. "We have a vision of a new world, a new policy which we will some day arrive at, and I believe this day is not far away."

Washington seemed prepared to stick with Mr. Gorbachev. White House officials said they did not suspect Mr. Gorbachev of any mischievous motives, and that Mr. Bush remained obliged to Mr. Gorbachev for the critical role the Kremlin had played in passing the Security Council resolutions.

Until the war came to a close, however, there was no telling whether Moscow had squandered some bargaining chips.

Turning his face homeward, Mr. Gorbachev had to convince rightist critics of his abhorrence for what the West was doing. That was left to Tass.

"It is clear that the American military, inspired by the success of their air strikes against Iraq, were itching to finish off Iraqis or force them to surrender, gun kit and all, to the mercy of the victorious American soldiers," Tass said in a bitter postmortem on the peace effort.

Good News Leads U.S. To Ease Blackout

By Richard L. Berke

New York Times Service

WASHINGTON — The Pentagon's highly unusual clampdown on press coverage, announced earlier by Secretary of Defense Dick Cheney, loosened on Sunday when allied field commanders came forward with glowing reports of early success in the war zone.

But many American news executives contended that the blackout was the latest, and possibly most troubling, example of Mr. Cheney's efforts to control the flow of information from the Pentagon.

About four hours after the ground assault began, Mr. Cheney summoned reporters to the Pentagon late Saturday to announce that to protect the troops, regular briefings in Washington and Riyadh would be suspended until further notice.

"Even the most innocent sounding information," Mr. Cheney asserted, "could be used directly against the men and women whose lives are on the line carrying out these operations."

The policy changed abruptly Sunday when Pentagon officials said the secretary gave permission for the American commander, General H. Norman Schwarzkopf, to deliver what was an upbeat briefing to reporters in Riyadh.

"Good news defeats a blackout," said Jonathan P. Wolman, Washington bureau chief for the Associated Press. "The military apparently has a good story to tell, and they are abandoning their blackout to let it be told."

Howell Raines, Washington editor of The New York Times, said the Pentagon, motivated by political concerns, was preventing the press from providing a more complete picture of the war.

"The administration wants to use the legitimate theme of security, in some cases, to install kind of blanket news management that we've never had in this country," he said. "No one argues with legitimate security needs. There's a kernel of truth in Secretary Cheney's argument. But we are over a month into this conflict and we've never seen a photograph of a wounded American soldier."

When the blackout began, groups of reporters escorted to the war zone by military officials found that transmission of their dispatches, already subject to review by the officials, was being delayed. The networks were forced to make do for hours without pictures from the war zone, and instead used simulations and toy tanks to try to convey to the public how the assault was going.

Although General Schwarzkopf's briefing lacked detail, it had the effect of signaling to other military officials in Riyadh and in Washington that they could at least speak anonymously to reporters.

As the day wore on, news organizations began to receive dispatches from pool reporters in the field, and the networks began to get war-zone footage. In addition, news organizations reported an improvement in transmission of photographs, some from Iraq and Kuwait, although there were still none of wounded American soldiers.

Still, many editors and news executives said they were frustrated with what they described as heavy-handed restrictions on details of the ground assault in the name of troop security.

General Schwarzkopf, for example, refused in his briefing to disclose an estimate of allied casualties, as is standard practice, saying only that they were "remarkably light." The offensive, he pronounced, was "progressing with dramatic success."

Fred S. Hoffman, a Pentagon spokesman for five years in the Reagan Administration and who, before that, covered the military for 24 years for the Associated Press, said Mr. Cheney's announcement of a blackout was misguided. Even during the Vietnam War, he said, there were never such restrictions.

Iran Invites Waldheim To Help Seek Gulf Pact

Reuters

VIENNA — President Hansbert Raftsanjani of Iran has invited President Kurt Waldheim of Austria to visit in June to help in a postwar Gulf settlement, Foreign Minister Akbar Mofatteh, now in Tehran, was quoted as saying on Sunday.



A U.S. Army chaplain leading services in Saudi Arabia on the eve of the ground war.

For Bush, a Pacifist Sermon

By Lawrence Malkin

International Herald Tribune

WASHINGTON — Up at dawn to follow the course of the war, President George Bush led his administration to church Sunday and heard his minister tell the congregation that the way to peace is "to restrain the wrath within ourselves."

After announcing the start of the ground war in a brief televised statement Saturday evening, Mr. Bush stayed close to his official residence and then called the White House situation room at 5:30 A.M. for the news from the front.

The president and his cabinet attended a 7 A.M. service at St. John's Episcopal Church across from the White House, arriving by limousine and avoiding protesters who have been booming out their anti-war message with drums for months.

At church, Mr. Bush chatted briefly with Defense Secretary Dick Cheney, who told him that the war was "going very well," said Martin Fitzwater, the White House press secretary.

Brent Scowcroft, the presi-

dent's national security adviser, said that Mr. Bush was "in good spirits."

About 150 members of the president's official circle filled the church for the private service. They included Vice President Dan Quayle, Secretary of State James A. Baker 3d, and John H. Sununu, the White House chief of staff.

The Reverend John C. Harper, who like the president is a World War II navy veteran of the Pacific, offered prayers for the president, for the armed forces, and "for our enemies." For his text he chose a 19th century Episcopal hymn with this refrain:

"The wrath of nations now restrain. Give peace, O God, give peace again."

In a brief sermon, the minister stressed that nations consisted of individuals, and that "restraining our wrath means restraining ourselves."

"In the end, we must find ways of making peace in our world by making peace in ourselves," he said.

The congregation took the En-

chirist, and after the half-hour service Mr. Harper walked with the president to the door as he usually does. He said Mr. Cheney had just given Mr. Bush his update on the fighting and that the president seemed "very positive."

The president and his family usually attend the 8 A.M. Sunday service when they are in Washington, but this time Mr. Harper said he was told late Saturday night that for security reasons the president would be coming at 7 A.M.

The White House said Mr. Bush would be remaining there for the rest of the day and had nothing special planned aside from following events closely.

Officials reported that the president had one final telephone conference with President Mikhail S. Gorbachev within an hour of the expiration of the ultimatum for an Iraqi pullout, but did not tell him when the ground war would begin. The Soviet Union received official word from Washington that the attack had begun at least an hour after it actually did, at 8 P.M. Washington time.

Attack Time Set 2 Weeks Ago

The Associated Press

WASHINGTON — Two weeks ahead of time, on the recommendation of the commander of the U.S. forces in Saudi Arabia, President George Bush set the exact time for the ground assault to begin, his spokesman said.

In fact, the president knew when he left the White House on Friday for a weekend at Camp David that he would be back in Washington late Saturday to address the nation, according to the presidential spokesman, Martin Fitzwater.

Mr. Fitzwater said the starting

time of the ground war — 8 P.M. Saturday, Washington time (0100 GMT Sunday) — had been selected shortly after Defense Secretary Dick Cheney and General Colin L. Powell, chairman of the Joint Chiefs of Staff, returned from their visit to the war zone earlier this month.

Mr. Bush agreed to let General H. Norman Schwarzkopf, the commander of U.S. forces, pick the specific time within a general framework. The president then approved the choice, Mr. Fitzwater said, adding that Mr. Bush could

not recall exactly when it was that he had given the approval. He could have done so as long as two weeks ago, Mr. Fitzwater said.

"He said he discussed it so many times, he just couldn't pinpoint it," Mr. Fitzwater said. The deadline of noon Saturday that Mr. Bush had set for President Saddam Hussein was chosen in the full knowledge that the ground war would begin at 0100 GMT Sunday should Mr. Hussein refuse to comply.

The president could have canceled the order at any time on Saturday, Mr. Fitzwater said.

UN Council Recognizes It Has No Role for Now

By Paul Lewis

New York Times Service

UNITED NATIONS, New York — Half a year after first calling for Iraq and Kuwait to settle their differences peacefully, the Security Council watched the last chances for a negotiated settlement disappear as it held its final meeting before the land war began in the Gulf.

After a day of wrangling, the council returned for a second meeting late Saturday night after the ground war had started and finally recognized that it had no useful role to play in resolving the dispute while hostilities continued.

In the evening session, Cuba and Yemen, the members most strongly opposed to the war, were openly critical of the United States and its allies for initiating the ground war.

The Cuban representative, Ricardo Alarcon de Quesada, called the conflict "an American war" and said it was "not connected in

any way with the United Nations." Yemen's representative, Abdallah Saleh Ashtal, walked out early, saying that the Security Council had been "eclipsed."

India's representative, Chinmaya Rajanmath Gharekhan, said the council had "abrogated its responsibility" by failing to press for a peaceful solution.

In the first session, hours before the start of the ground offensive was reported, the Soviet Union, clearly anxious to salvage something from its peace efforts, pressed the council to devise a new proposal that would somehow marry the six-point plan that Foreign Minister Tariq Aziz of Iraq accepted in Moscow on Friday with the very different terms laid down by the United States and its allies.

But the United States and Britain appeared skeptical, suggesting that there was little more the Security Council could do to promote a peaceful settlement.

Moscow Regrets Land Assault

Kremlin Says It's 'Not Too Late' for Peace Efforts by UN

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet Union said Sunday that it regretted that the U.S.-led allies had started a land assault against Iraqi troops and insisted that it was not too late for the United Nations to end the war through diplomatic means.

"The Soviet Union expresses regret that a real chance to solve the conflict peacefully has been missed," the Soviet government said in a statement.

The statement, read by the Foreign Ministry spokesman, Vitali I. Churkin, said a Soviet plan worked out with Foreign Minister Tariq Aziz of Iraq on Friday had opened the way to a peaceful settlement, but that "the instinct for a military solution won through."

The bitterness of the comment appeared to reflect Moscow's frustration that its diplomatic efforts over the last 10 days to prevent a land war had come to nothing.

Before the ground offensive erupted, President Mikhail S. Gorbachev made a series of telephone calls to President George Bush and other allied leaders and tried to impress on them how close the positions of Iraq and the United States had come through Soviet diplomatic efforts.

Mr. Gorbachev argued for integrating the two positions at the UN Security Council, but the coalition leaders responded nearly unanimously, their spokesmen said, that it was too late for changes and that Iraq had failed to meet the deadline for withdrawal from Kuwait.

Mr. Churkin said that Iraq's agreement to a six-point plan backed by Mr. Gorbachev had created "a qualitatively new situation,

opening the path to a switching of the conflict in the Gulf toward political settlement."

Mr. Aziz said Saturday that Iraq had agreed to the plan, which called on Baghdad to withdraw its troops from Kuwait within 21 days.

But the allies said that the plan did not fulfill Security Council resolutions demanding that Iraq leave Kuwait unconditionally and insisted that Baghdad start withdrawing immediately.

"The differences between the formulations agreed to by Iraq and the proposals of a series of other countries were not great," the Soviet statement said. "They could have been worked out in the framework of the United Nations Security Council within a day or two."

The statement added, "It is still not too late to do this."

It called on the Security Council to "start studying the new situation."

The Soviet press reported the start of the ground attack without comment, and there was no immediate reaction from Mr. Gorbachev. But officials stressed that the conflict should not affect U.S.-Soviet ties, which have improved radically over the last six years.

Moscow did not send troops to the Gulf, but it supported the United States and its allies by consistently backing the Security Council resolutions demanding that Iraq withdraw from Kuwait and allowing the use of force to evict Baghdad's troops.

This stand was opposed by hard-

liners in the Soviet armed forces, which helped build up Iraq's army after a 1975 friendship treaty.

Mr. Aziz left Moscow on Saturday afternoon after repeating at a brief news conference that Baghdad stood by the last set of proposals for conditional withdrawal negotiated with the Soviets.

As the deadline neared and the inevitability of a ground war became apparent, Mr. Gorbachev's spokesman, Vitali N. Ignatenko, made it clear that Moscow was particularly disappointed with Iraq.

"Iraq has lost the chance to make use of this good will, and it's not only in these days, but over months that this opportunity was available to Iraq," he said. "If I'm talking about some hope, that is the hope that even under these circumstances, when all possibilities have been exhausted, the regime in Iraq will have the guts, so to say, to withdraw its forces."

"But there will have to be certain actions for this, and we don't see these actions. We see other things — we see from high above burning oil facilities, the continued destruction of the ecosystem. As far as hopes are concerned, we still hope that common sense will prevail."

Mr. Bush conferred with Mr. Gorbachev nine hours before the offensive was launched, and the Soviet president also spoke on the telephone Saturday with the leaders of Britain, France, Italy, Germany, Japan, Syria, Egypt and Iran in an attempt to head off a land attack.

Mr. Ignatenko confirmed that in the telephone calls, Mr. Gorbachev had urged the allies to postpone the land offensive for "a day or two" to give time for the Security Council to "integrate" the Iraqi and American plans for ending the war.

(Reuters, NYT, AP, WP)

Bush Kept Gorbachev In the Dark

The Associated Press

WASHINGTON — President George Bush conferred with President Mikhail S. Gorbachev nine hours before the start of the ground assault against Iraq's army but did not tell him when it would begin.

Mr. Bush and Mr. Gorbachev spoke by telephone for 30 minutes within an hour of the noon deadline Saturday for President Saddam Hussein to begin pulling his troops out of Kuwait, the White House press secretary, Martin Fitzwater, said.

But it was more than an hour after the allied attack began at 8 P.M. before the Soviets got word from the United States that it was on, according to administration officials.

Mr. Fitzwater said that Mr. Bush had discussed "the final start time" for the offensive with some allies on Saturday, but not with Mr. Gorbachev. He said that Soviet efforts to barter a peace agreement had had no effect on the date and time of the ground war.

Yemenis Stone Embassies

Reuters

SANA, Yemen — Thousands of Yemenis threw stones Sunday at embassies of countries in the coalition in the Gulf to protest the ground offensive against Iraq, witnesses said. A shot rang out near the British ambassador's residence as some 100,000 people took to the streets.

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Herald Tribune

Published With The New York Times and The Washington Post

Quick and Limited

Saddam Hussein has once again defied Western logic and dared the allied forces to come after him in Kuwait. Ground war has begun, a fact to be faced with weary resignation, and with two new hopes: that for humane reasons it can be quick, and that for policy reasons it can be limited.

Americans are slow to anger, but once provoked they are slow to cool down, and there will be a natural impetus to press for the rapid devastation of Iraqi military strength. However, understandable, that war will have to be controlled.

Limiting the Gulf war serves long-term American interests in three pronounced ways: by leaving Iraq enough force to defend itself against ambitious neighbors, by avoiding the nightmare of an American occupation, and by avoiding needless friction with the Soviet Union.

It is likely that a ground war limited to liberating Kuwait in the process, reduce Iraq's forces to a level that would be tolerable, perhaps even desirable, after the war. All-out ground war, by contrast, would destroy much of what is left of Iraq's army. But such destruction would leave Iraq prey to its neighbors at war's end.

A prime objective of U.S. policy ought to be stability in the region. To leave Iraq

crippled would tempt Iran or Syria or others to lunge for advantage. To survive, Iraq would probably have to become either a U.S. or a United Nations protectorate.

Likewise, there are good reasons to stop the ground war short of occupying Iraq. U.S. involvement in reconstructing the politics and economy of a defeated, deeply embittered Iraq could be prolonged, and dangerous. Americans do well to recall how hard it was for the United States to extricate itself from the violent chaos of Lebanon, where it was much less intimately involved.

A U.S. occupation of Iraq would inevitably be viewed with suspicion in Moscow. It is not hard to imagine what Soviet hard-liners would think of the United States establishing an outpost on their southern flank — and in a country that has heretofore been a Soviet client. They are already alarmed, feeling their fears further could weigh heavily in determining the future of constructive change in the Soviet Union.

There are, in short, powerful reasons for George Bush to limit the war to his stated aims and, having achieved them, to scale back operations quickly. More war now has come to be in the world's best interest — but so is less war soon.

— THE NEW YORK TIMES.

Progress on Trade

Finally, a crucial breakthrough on trade. The European Community last week agreed to demands from the United States and Third World food exporters to negotiate specific reductions in several areas of farm subsidies. That breaks the impasse that paralyzed the Uruguay Round of trade talks in December, and opens the way for a bold trade agreement that could add trillions to the world's economies in the '90s.

An agreement to negotiate is not yet an agreement. Hard bargaining will commence this week. Having won the principle, however, negotiators need not be so concerned with the actual amount by which farm subsidies will now be cut. Once agricultural trade is included in the General Agreement on Tariffs and Trade, subsidies will eventually fall to insignificance.

The European Community has made a breakthrough. The U.S. Congress owes its trading partners no less. President George Bush will ask it to extend "fast-track" negotiating authority, which permits Congress to reject, but not amend, the final agreement. Without such authority, the trade accord would be amended to death by special interests, and the European deal would have been in vain.

The Uruguay Round hopes to incorporate, for the first time, rules governing trade in agriculture, intellectual property, services and investment. Farm subsidies are key because Third World food-exporting nations will not accept rules protecting trade in property and services unless Europe and the United States open their borders to food and textile imports.

Until now the Europeans had refused to

budge. They have a long-standing commitment to protect a few million family farmers. Prices are kept artificially high, stimulating production. The surplus stocks are dumped onto foreign markets at subsidized prices, devastating farmers in developing countries. The policy costs European taxpayers \$100 billion a year, which may explain the Community's willingness to change.

Previously, the Europeans have agreed only to reduce a vaguely defined measure of overall protection, but not each identifiable component of its policy: production subsidies, export subsidies and import barriers. And the reductions they offered were tiny compared with what the United States and Third World food exporters were demanding. Now everything has changed. The principles are settled; only the details must be negotiated. Everyone will have to give, but that kind of give and take is the ordinary stuff of international trade bargaining.

The United States is in a unique position. It loses billions each year to pirates of copyrighted and patented materials. And even efficient American farmers cannot compete against subsidized exports from the EC. So an agreement that protects intellectual property and services and also reins in European farm protection provides a big win-win.

Not every American wins. The sugar, textile and shipping industries are some of the sectors that will lose protection if Congress approves the trade accord. That is why fast-track negotiating authority is critical. Without it, these interests will load the legislation with killer amendments, spoiling important gains for everyone else.

— THE NEW YORK TIMES.

Greenspan's Optimism

Speaking with the gloom of the true central banker, Alan Greenspan points out all the possible misfortunes that could make the recession deeper and longer. But having said all that, he goes on to acknowledge — cautiously, and with qualifications — that the outlook for an early recovery is pretty good.

As the chairman of the Federal Reserve Board, he made his regular appearances before the congressional banking committees last week and gave them the most authoritative economic forecast in one notable sense. When Iraq invaded Kuwait last summer, it was not simply the sudden jump in oil prices but — more so than I would have anticipated — the extraordinary drop in consumer confidence that threw America into this recession. The price of oil is now back to manageable levels, and the consumers' mood also seems to be changing, but Mr. Greenspan hardly needed to say that the war isn't over. Along with much else, the state of the economy now depends on the outcome of the fighting.

Mr. Greenspan, in these congressional appearances, got a lot of heavy questions from people in both parties in the next presidential election. That leaves the Federal Reserve, more than ever, in charge of the day-to-day management of the American economy. Mr. Greenspan is well aware of it, and that is why he is moving carefully.

— THE WASHINGTON POST.

Other Comment

A Fantasy of Military Power

There is a distinctive American way of making war. To the credit of that great country, the United States is not a belligerent power. In the last century in fought only four wars, while Britain fought dozens. The British were and remain, to quote a recent American editorial, "a piratical and warlike people." The Americans are neither. When America does fight, however, it does not wage war "at the margin." That is the besetting fault of British strategists.

Sandhurst's British best are in the desert — all warriors and some piratical as well. West Point's best are in the desert also, with the best of the Marine Corps officer school at Quantico. The true wickedness of Saddam is that he has structured a fantasy of Iraq as a great military power. The great military powers are those which confront his ramshackle army in Kuwait. The test of battle will be in the next few days show how total his fantasy was.

— John Keegan, commenting in The Sunday Telegraph (London).

If Saddam Hussein remains at the head of the Iraqi regime after this, Iraq will live in isolation, ostracized not only by the Arab world but also by millions of people around the world. Accordingly, the fate of this dictator is predictable.

— Al Akbar (Cairo).

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OPINION

HOW MANY OF THESE
GLORIOUS VICTORIES
CAN WE AFFORD, OH
MAGNIFICENT SAVIOR
OF OUR PEOPLE?



Because of Saddam, This War Had to Go Ahead

By Brian Beedham

LONDON — Now that the tanks have gone in, the allies have no choice but to destroy the whole of the army that Saddam Hussein has deployed in and around Kuwait. If heaven is kind, that will mostly be done by a huge roundup of already stunned and frightened men. If it is not, Saddam's soldiers will have to be fought to the death, or to surrender.

That could be a big war, and kill a lot of people. It will then be argued that the alliance was wrong to reject the last-minute peace terms suggested by President Mikhail Gorbachev. It is best to be clear, at the start of the battle, what was at stake at high noon, Washington time, on Feb. 23. There is now no choice but a fight to the finish with the Iraqi army around Kuwait because both of the other two possibilities are so deeply unattractive.

The alliance does not want a messy half-ended war, in which it has liberated most of Kuwait but several unbroken Iraqi armored divisions and much of the Republican Guard still hover on the allies' northern flank. An unfinished war is a war that will start again.

But neither do the allies want to have to chase these divisions all the way to Baghdad, since that raises the prospect of an even bigger war and even more cries of distress in the Arab world. Now that the fight has begun, the best thing to do is to throw a ring around Saddam's southern command — which is most of his army — and beat it where it is.

President Gorbachev says that all this could have been avoided because the difference between the peace terms he suggested and the terms the alliance decided to insist on was "insignificant."

The short answer is that Saddam Hussein presumably found the difference significant, since he accepted the Gorbachev terms but rejected the alliance's. He could see, and so should the world, that there were at least two serious gaps between the Moscow offer and what the alliance could bring itself to accept.

One was the time allowed for the Iraqi withdrawal from Kuwait — three weeks in the Moscow proposal, only one week in the alliance's. Two weeks may seem a small difference. In late February in the Gulf, they are a big one. A three-week Iraqi pullout, even if it had started on Feb. 23, would have reached into the middle of March, which is when the Arabian desert is getting too hot to fight in. Any slippage in the pullout — meaning any new attempt at deception by Saddam Hussein — and the possibility of a ground offensive would have vanished until the autumn, and that means perhaps forever.

It is true that the much shorter one-week period offered by the alliance would have made it hard for Saddam to get much of his armor and artillery out of Kuwait. The allies, it is said, were deliberately trying to disarm him. That is probably correct. But look at the other side of the proposition. Mr. Gorbachev, it seems, was consciously trying to let him keep his army as strong as possible. Of those two outcomes, most people by now know which they would prefer.

The other main difference between the two sets of peace terms is more worrying still. The Gorbachev proposal, even when it had been cut down from eight points to six, still said that an Iraqi withdrawal from Kuwait should wipe out all the resolutions that the Security Council has passed on the subject since last August. Those resolutions call, among other things, for a lasting peace in the region. That is the legal basis on which the United Nations would still want to keep an eye on Iraq after the handover of Kuwait.

It would also help the United Nations to tackle the other problems that will arise from this war. To cancel the resolutions implies a world turning its back on the aftermath of battle. Since that aftermath, on the Soviet proposal, would probably still include a powerful Saddam Hussein, one has to wonder exactly what Mr. Gorbachev had in mind.

These differences do matter. If the allies had settled for the terms proposed by Mr. Gorbachev, they might have left Saddam with one last chance to fudge his retreat from Kuwait. Worse, even if he had for once done the right thing there, the allies would have stripped themselves of the means to ensure that he continued to behave acceptably thereafter. It was because the allies did not wish to take those risks, and Saddam Hussein would not remove the risks, that the land war began.

If the battle goes well, and not too many allied soldiers die, most people will judge that decision to have been entirely correct. A thought haunting George Bush and John Major and the rest of the alliance's leaders, however, is not just that nobody can ever be sure how a battle will go, but that nobody yet knows how most people will define "too many" casualties. The soldiers on the field and the politicians and citizens behind them share the hope that heaven is kind.

International Herald Tribune.

Saddam Gave His Armed Forces a Suicide Mission

By Haynes Johnson

WASHINGTON — It is difficult for the Western world to comprehend that the leader of a nation would appear to choose self-annihilation for his people.

Western experience, our historical memories, our very values recoil from such senseless, hopeless slaughter. The bloody business of the 20th century, in which such weapons of mass destruction as tanks and planes and missiles and nuclear bombs have been developed and employed, have conditioned us to strive for means other than war to settle international disputes.

Obviously that reasoning does not apply to Saddam Hussein. For years he has led his people headlong into a past of immeasurable bloodshed and carnage. He used poisonous gas. He launched a doomed war against Iran that lasted eight years, left half a million of his 17 million people dead and won him not a single desired goal. He demonstrated repeatedly a willingness to sustain horrendous

losses without remorse, even expending as many as 10,000 lives in a single day of combat. Since he sent his troops into Kuwait last Aug. 2, he has miscalculated time and again. His costly mistakes have been eclipsed by his next.

There has been a mad Custer-like bravado in the way he failed for months to take advantage of prospects that might have left him in power with his armed forces and weaponry largely intact. Beyond his bombastic rhetoric, his now familiar jeremiad against treacherous Arab brothers singled by Western aggressors and his equally familiar appeal to Arab nationalism, Saddam has called upon his people to "continue the struggle" in the name of Iraqi patriotism and pride.

He tells them that he is confident that "we will win victory," and then he immediately addresses the glory of martyrdom. It's like Jim Jones

implored his followers in Guyana to line up and drink the Kool-Aid. How Iraqis will respond to this professed honor is the great remaining unknown about the war. They began the battle in several weakened conditions, militarily and economically. History will show that the economic sanctions were working and weakening them day by day.

Since the allied coalition initiated combat almost six weeks ago, Iraq's war-weary ranks have been pitted against the most formidable military force ever assembled. They have been outnumbered, outgunned, outfought and subjected to the most merciless, devastating bombardment in history, albeit an assault that, Saddam's propaganda and war's inevitable mishaps notwithstanding, has been aimed carefully at military, not civilian, targets.

Despite the intensive electronic media focus on this war, with earth-

orbiting satellites beaming dizzying and fleeting images from the desert, little is known about the real effect of this massive high-technology assault on Iraq's people and armed forces. In recent days, however, revealing glimpses have begun to filter through the censorship.

In Iraq, for instance, a high-ranking Iraqi official is reported to have told Iranian officials that his country sustained 60,000 casualties, including 20,000 deaths, in the first 26 days of war. As the tempo of air attacks increased, several reliable published accounts have described waves of panic-stricken Iraqi fleeing Baghdad and other places and heading toward sanctuary in Jordan.

As to the actual condition of Iraqi ground forces on the Kuwaiti front, little is known other than that they are burrowed deep into the sands and battered by ceaseless attacks of unimaginable ferocity. For them, even worse is now coming.

The Washington Post.

Let the Democracies Unite to Promote Democracy

By William Pfaff

PARIS — The lesson taught by the Gulf war is not the lesson of democratic world order. The lesson is merely that it is dangerous to overturn a small country in which an ambitious major power, such as the United States, has an interest. There is nothing new in that.

Consider Albania, on the other hand, where the democratic lesson is being taught. This last of the East European Communist dictatorships is foundering. The Communist Party dictatorships have fallen throughout Eastern and Balkan Europe to internal uprisings motivated by popular hatred of foreign domination, loathing of stupid and obscurantist dictatorship, the desire for economic space and progress.

The people of the ex-Communist East have wanted to join the modern world, the successful and peaceful world of the democracies — the world where people take responsibility for themselves, elect their governments and enjoy the rule of law.

Nineteen eighty-nine was the year of an immense victory for democracy. This had nothing directly to do with military victory. NATO's steadfastness and the nuclear deterrent were obviously important in creating the conditions in which the democratic victory became possible, but the central force producing what happened was the witness of what democracy means in Western Europe and North America.

The Soviet Union is in a state of collapse today not because of what it has done but because of what it has become, and because of what the West is. The Soviet system has proved hard, inhuman and inefficient, incapable of giving its people what they want. At the same time the Soviet people and elites have seen that the Western democratic system works, doing justice for its citizens.

The implications of democracy's victory do not, however, seem generally understood. The West won because of what it had made of itself, not by anything it did to the Soviet Union or to the "socialist" bloc. Its very success produced their failure. They could not go on as they were because it was blindingly clear that the West was the right way to go.

Nineteen eighty-nine was thus a very important turning point. For two centuries history has been driven by conflict over what is the right form of government, society and economy. Democracy has been rejected or resisted as class-bound or permitting injustices, or as weak or ineffectual. Communist Party dictatorship was for 70 years held to be "scientific" and inevitable.

In much of the Third World, the single-party model of authoritarian government and the state-socialist economy have been held the right road to national development. Before that, the single-party fascist model was admired for mobilizing society's energies and offering national success and power.

Today such ideas are no longer credible. Since 1989 there have been the beginnings of multiparty government in West Africa. Democracy has a tenuous hold in Haiti. Military rule was already largely discredited in Latin America by 1989, and after that the failure and corruption of Nicaraguan and Cuban models of socialism were acknowledged.

The foreign policy of the United States did not produce these results. They came from the undeniable success of democracy's workings inside the United States and the other prosperous and progressive Western nations. The evidence of democratic success produced political conver-

sion in countries that until recently knew only authoritarian or dictatorial forms of government.

Today that democratic victory is in some danger because democrats are ignoring the lesson of 1989, the lesson that quality of society is what counts most. The Gulf crisis is pointing in another direction, that of a new international interventionism, ostensibly to create a new democratic world order. But such an order is not the product of military interventions, nor can it come from a United Nations composed chiefly of authoritarian governments of one or another kind. The democracies are a clear minority in the United Nations, as in the contemporary world.

It is these democracies that must hold together to defend their values and promote the democratic interest. The community of democracies alone can challenge others to meet its standards in order to join its community — to partake of its success, enjoy its help, cooperation and trade favor. This is what the European Community has been saying to the East Europeans; that they are welcome to join Western Europe, but that to do so they must meet Western European standards of democratic practice and justice. The Western democracies should say that to the whole world.

The new international order that President George Bush says he wants has thus far seemed to imply some form of permanent mobilization of the United Nations or the international community under American leadership to prevent or punish manifestations of international "disorder." In practice, it would seem to mean institutionalized military interventions by U.S.-led coalitions in Third World conflicts. This does not

seem a promising course — even if the other leading nations were ready to prove willing to cooperate.

Surely the world that the United States and its European allies want is not properly described as one where mere "order" reigns — a vain ambition in any case, since life itself is chaotic, progressing by way of conflict. We want a world where democracy is secure and confident, and radiates its success, drawing others toward it. The purpose surely is to promote civilized political values, not mere order.

International Herald Tribune.

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100, 75 AND 50 YEARS AGO

1891: Bad Journalism

NEW YORK — Two Ohio editors have just had a difference of opinion in the public street, during which only one of them was killed, while three bystanders were shot. This shows a most deplorable state of things in the journalistic profession. It is not too much to say that men who shoot as wildly as this ought not to be permitted to have control of newspapers. The laws of Ohio ought not to allow a man to take charge of a newspaper unless he can shoot straight enough to hit his opponent, and avoid hitting innocent persons.

1916: Desperate Effort

PARIS — There is no sign of relaxation in the German effort north of Verdun. According to the French communiques issued yesterday (Feb. 24), the Crown Prince's army is continuing to attack over a large front with the fury of despair. The battle now engaged is one of the

Gorbachev Is a Lesser Problem

By Leslie H. Gelb

NEW YORK — As bad as this is, it is under Mikhail Gorbachev they would be worse still, for Soviet citizens and for most others around the world, under any likely successor, George Bush grasps this.

That is why President Bush clings to the Moscow line, reproving him at promising him when appropriate, and trying to ignore the growing throng of complaints from American conservative (happy again for the clarity of hate) and liberals (despairing of President Gorbachev's fallibility) alike.

If these happy and despairing commentators cease their bellowing long enough, they may notice several truths about Soviet hard-liners: They are not Mr. Gorbachev, are the real enemy. They see him, far more than Soviet reformers, as their principal adversary. They, and not reformers, would almost certainly be his successors.

Perhaps it would be nicer if Mr. Gorbachev stepped aside for Boris Yeltsin, who demanded last week that he do so. But Yeltsin-the-Reform communitarian from the same Communist Party mold, and probably would be up playing the same game of survival politics. He is already hedging many of his reform proposals.

More to the point, neither Mr. Yeltsin nor reformers like the appeals to Moscow and Leningrad. They have much more to gain power. To lack a national base and have it backing among the masters of Reformers call longingly of ascetic truths about Soviet hard-liners: They are not Mr. Gorbachev, are the real enemy. They see him, far more than Soviet reformers, as their principal adversary. They, and not reformers, would almost certainly be his successors.

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الشرق الأوسط

SIEMENS NIXDORF

Capital ideas and the capital to implement them: Synergy at work

Extracts from the Siemens Nixdorf Idea Bank:

Computer systems that link office and factory. Expert systems for environmental protection which set off warning alarms when forests are endangered. Computer cash registers that take up less space than a sheet of notepaper. Automatic ticket vending machines for last-minute airline bookings. Laser printers that print a 200-page sales handbook per minute. Self-service scanning systems which let retail customers handle the checkout by themselves. Self-service terminals which permit department stores to offer 24-hour shopping. Main-frame computers that manage company-wide databases. Optical memories that store original documents, photos and correspondence in CD format. Reading devices for payment transactions that can handle over 900 items per hour, even written in block letters. Intelligent networks that increase the services of branch and host computers through division of tasks. Expert systems for technical service which identify faults via telephone.

It's nice to know that the capital to implement ideas can be added to idea capital.

Synergy at work



WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. February 22

Australian Dollars

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

Canadian Dollars

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

ECU Straights

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

Pound Sterling

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

Yen Straights

Issuer	Con	Mat	Price	Yld	Vol
ABN AMRO	100	01/01/92	100.00	7.50	100
ABN AMRO	100	01/01/93	100.00	7.50	100
ABN AMRO	100	01/01/94	100.00	7.50	100
ABN AMRO	100	01/01/95	100.00	7.50	100
ABN AMRO	100	01/01/96	100.00	7.50	100
ABN AMRO	100	01/01/97	100.00	7.50	100
ABN AMRO	100	01/01/98	100.00	7.50	100
ABN AMRO	100	01/01/99	100.00	7.50	100
ABN AMRO	100	01/01/00	100.00	7.50	100
ABN AMRO	100	01/01/01	100.00	7.50	100

To our fund lists

Both the fax and tele numbers for updating funds prices have changed. Please now send these to: Fax (33-1) 40 28 07 77 Tel 215 356 0000 (MPL)

NEW YORK	PRICE	YIELD	DATE
ABN AMRO	100.00	7.50	01/01/92
ABN AMRO	100.00	7.50	01/01/93
ABN AMRO	100.00	7.50	01/01/94
ABN AMRO	100.00	7.50	01/01/95
ABN AMRO	100.00	7.50	01/01/96
ABN AMRO	100.00	7.50	01/01/97
ABN AMRO	100.00	7.50	01/01/98
ABN AMRO	100.00	7.50	01/01/99
ABN AMRO	100.00	7.50	01/01/00
ABN AMRO	100.00	7.50	01/01/01

MUTUAL FUNDS

Figures as of close of trading Friday, February 22

FUND	PRICE	YIELD	DATE
ABN AMRO	100.00	7.50	01/01/92
ABN AMRO	100.00	7.50	01/01/93
ABN AMRO	100.00	7.50	01/01/94
ABN AMRO	100.00	7.50	01/01/95
ABN AMRO	100.00	7.50	01/01/96
ABN AMRO	100.00	7.50	01/01/97
ABN AMRO	100.00	7.50	01/01/98
ABN AMRO	100.00	7.50	01/01/99
ABN AMRO	100.00	7.50	01/01/00
ABN AMRO	100.00	7.50	01/01/01

FUND	PRICE	YIELD	DATE
ABN AMRO	100.00	7.50	01/01/92
ABN AMRO	100.00	7.50	01/01/93
ABN AMRO	100.00	7.50	01/01/94
ABN AMRO	100.00	7.50	01/01/95
ABN AMRO	100.00	7.50	01/01/96
ABN AMRO	100.00	7.50	01/01/97
ABN AMRO	100.00	7.50	01/01/98
ABN AMRO	100.00	7.50	01/01/99
ABN AMRO	100.00	7.50	01/01/00
ABN AMRO	100.00	7.50	01/01/01

FUND	PRICE	YIELD	DATE
ABN AMRO	100.00	7.50	01/01/92
ABN AMRO	100.00	7.50	01/01/93
ABN AMRO	100.00	7.50	01/01/94
ABN AMRO	100.00	7.50	01/01/95
ABN AMRO	100.00	7.50	01/01/96
ABN AMRO	100.00	7.50	01/01/97
ABN AMRO	100.00	7.50	01/01/98
ABN AMRO	100.00	7.50	01/01/99
ABN AMRO	100.00	7.50	01/01/00
ABN AMRO	100.00	7.50	01/01/01

FUND	PRICE	YIELD	DATE
ABN AMRO	100.00	7.50	01/01/92
ABN AMRO	100.00	7.50	01/01/93
ABN AMRO	100.00	7.50	01/01/94
ABN AMRO	100.00	7.50	01/01/95
ABN AMRO	100.00	7.50	01/01/96
ABN AMRO	100.00	7.50	01/01/97
ABN AMRO	100.00	7.50	01/01/98
ABN AMRO	100.00	7.50	01/01/99
ABN AMRO	100.00	7.50	01/01/00
ABN AMRO	100.00	7.50	01/01/01

Handwritten text: 100.00

OTC Consolidated trading ended Friday, February 22

OTC Consolidated trading ended Friday, February 22

(Continued on next page)

مكتبات الاصل

WORLD STOCKS IN REVIEW

Via Agency France-Press

Amsterdam

Stocks closed slightly higher, with the CBS all-share index at 178.4, against 177.8 the previous Friday.

Turnover for the week was 10.3 billion guilders, 3.6 billion of which was in equities.

According to the Kempen & Co. brokerage, prospects for the new trading week are favorable.

Frankfurt

The Frankfurt stock exchange hit new record highs as the DAX index finished at 1,582.52 points Friday, 3.35 percent more than the previous week.

Dealers said Frankfurt benefited from optimistic outlooks on Wall Street and the Tokyo market and hopes that the Gulf war could be over soon. Analysts warned that the bullish phase could be short-lived.

Germany's eight exchanges reported transactions totaling 40.73 billion Deutsche marks, with German investors dominating trading, against 37.17 billion DM last week.

Hong Kong

Share prices rose moderately in cautious trading during the week. The Hang Seng Index advanced mainly in trading, gaining 62 points, or 1.8 percent, to close at 3,475.34 Friday.

Average daily turnover rose slightly to 1.54 billion Hong Kong dollars, from the previous week's 1.5 billion dollars.

The market opened its first day's

trading in the year of the Ram with a bang Monday with the key barometer singing a handsome 60.76 points on expectations by international investors that the Gulf war could soon be over.

London

Share prices closed Friday slightly up on the week. The Financial Times stock exchange index of 100 leading shares finished with a gain of 0.7 percent at 2,314.3, up 17.4 points on the week. The Financial Times-30 index climbed 22.2 points to 1,846.7.

The week started optimistically. A sharp fall in British retail sales, announced Monday, encouraged the market's belief that a further cut in interest rates was imminent.

After two days of losses, shares picked up again Thursday, helped by strong activity on the London financial futures market. The strength of the pound in the European exchange rate mechanism saw the reemergence of speculation that a cut in interest rates was imminent.

But trading eased off by Friday, as traders adopted caution ahead of the outbreak of land fighting in the Gulf war.

Milan

Milan stocks enjoyed a good week, as the MIB index gained 3.53 percent to close at 1,116, against 1,078 the previous Friday.

The average daily volume was 230 billion lire, against 240 billion lire the previous week, with an unchanged average of 70 million shares changing hands daily.

Operators said that both Italian and foreign investors continued to buy, expressing confidence in the Milan market's growth possibilities.

Paris

The Paris Bourse had another winning week, as the CAC-40 stock price index finished the week at 1,716.88, a gain of 2.8 percent from the previous Friday.

The good performance means that the Bourse gained 11.2 percent during the February trading month, the best monthly performance since 11.24 percent in April 1990, when the Bourse was moving up to a series of record highs.

Dealers said that Bourse investors concentrated more on the prospects of lower interest rates — which would stimulate business and the Bourse — than on the shifting and uncertain prospects for peace in the Gulf.

However, some traders remain worried by the slowdown of the French economy and by disappointing 1990 earnings reports coming from some French businesses.

Singapore

The Stock Exchange of Singapore surged. The Straits Times industrial index gained 71.75 points or 5.36 percent to finish the week at 1,410.45, while the SES all-Singapore index moved up 15.49 points to 380.73.

Turnover for the week stood at 906.54 million shares, valued at 389.36 million dollars, more than double the previous week.

Tokyo

Share prices rose for the third week in a row in heavy trading. The Nikkei Stock Average closed Friday at 25,902.81 yen, a gain of 559.07 yen or 2.2 percent on the week. This followed a 1,000-yen rise in each of the previous two weeks.

The Tokyo Stock Price Index of all stocks on the first section advanced 26.84 points to 1,922.88.

Trading was extremely heavy with average daily turnover of 1.03 billion shares, up from 958.5 million the week before. This was largely due to the 1.44 billion shares traded Tuesday, the largest volume since Nov. 29, 1989.

Zurich

Zurich stocks gained on the week, as the Swiss Performance Index ended at 1,011.7 against 996.56 the previous Friday. The Credit Suisse indicator rose from 518.4 to 527.9, and the Swiss Bank Corp. index from 574.2 to 582.7.

Analysts said the rise was due more to expectations of lower interest rates than to changes in the Gulf situation.

Operators said that British and American investors were much in evidence during the week, while Swiss institutional investors were more reluctant to act. Chemicals were the most popular issues, particularly Roche.

In banking, Credit Suisse was off 25 on the week to 1,855, and Swiss Bank Corp. was down 2 to 320. Union Bank of Switzerland rose by 90 francs to 3,420.

Fall in Thai Stocks Seen After Coup

Reuters

BANGKOK — The weekend coup in Thailand should have only a short-term impact on one of Asia's most dynamic economies, bankers and businessmen said, but Bangkok's stock market is probably in for a volatile ride.

"Obviously it's going to bring a negative reaction until a new government is elected," said Graham Catterwell of Crosby Research. "But underneath there is a stability which will probably continue."

Before Saturday's bloodless coup, the Thai stock market composite index had risen by 35 percent since the start of the Gulf war, to 791.64.

The military ousted civilian Prime Minister Chatichai Chongavan, accusing him of tolerating widespread corruption. It promised to hand over power to a caretaker government and hold elections within six months.

The new military junta also said the Bangkok stock market and banks would be open as normal on Monday.

Brokers said they expect stocks to be hit initially by the military takeover and by uncertainty caused by the opening of the ground war in the Gulf.

But, so long as the military makes no unexpected moves, they see little long-term impact on Thailand's booming economy, which is expected to post growth of 7.5 percent in real gross domestic product in 1991, against 9.8 percent in 1990.

Army chief General Sathakorn Kraprayoon joked at a news conference on Sunday that the coup could provide a good chance to buy Thai stocks cheaply.

"We will send friends to buy shares when they go through the floor on Monday," he said, laughing.

Bangkok Bank president Chatri Sophonpanich said that although stocks would be affected, the fall-out from the coup was unlikely to last more than one or two weeks because there was no violence in the takeover.

"What happened will not have any long-term impact on the country's investment front," he added.

Banks' Latest Lemons: Bad Commodity Loans

Reuters

LONDON — International banks, already shaken by mounting bad debts in property, industry and the Third World, are reeling again, this time from multimillion dollar losses on commodity lending, bankers say.

Some banks, aghast at the growing pool of red ink, are expected to charge higher fees to all but top-notch customers.

"I feel decidedly nervous," said a senior European banker who declined to be named. "I keep looking down my loan book to guess where my next problem's coming from."

Financiers have oiled the wheels of world trade in raw materials for centuries. London's huge banking, shipping and insurance community grew up on the rising tide of trade with far-flung colonies in sugar, rum, coffee, tea and spices.

But the recent failure of one of

Britain's oldest commodity houses, Woodhouse Drake & Carey, has sent shockwaves through banking boardrooms. The 223-year-old trading firm collapsed with debts of \$150 million to \$200 million.

More generally, plunging raw materials prices, squeezed commissions and soaring costs have caused a flurry of financial problems in world commodity business.

As a result, one bank has already decided to quit commodity lending and others are expected to follow, bankers say. This follows a steady erosion of U.S. banks from commodity financing in recent years.

Bankers bemoan the difficulty of assessing risk in such a volatile business as commodity markets.

"It's no use just looking at the balance sheet," one banker said. "Net worth doesn't mean anything. It's more important to know whether traders are long or short, and that you can never really tell."

BUSINESS BRIEFS

Kohl's Party Favors Tax Surcharge

BONN (Reuters) — Chancellor Helmut Kohl's Christian Democratic Party is in favor of a temporary surcharge on income taxes to help pay for German unification, the Gulf war and aid to Eastern Europe, party sources said Sunday.

A closed meeting of the CDU party leadership gave unanimous backing for a proposal by the party's secretary general, Volker Rabe, to tack a 3 percent surcharge on income taxes. But the sources said party leaders had not yet decided how long the surcharge should be levied.

Last week leaders of the ruling coalition agreed to raise oil taxes, but that alone will not raise enough revenue.

Australian Profit Outlook Stagnant

SYDNEY (Reuters) — Australia's top companies will report stagnant profits in financial 1991 because of the fragile state of the economy, and many remain vulnerable to high debt levels, according to a survey released Sunday by Australia & New Zealand Banking Group.

But the bank's February Corporate Sector Outlook said profits should pick up strongly in the 1992 financial year, particularly for resources groups.

Third World Seeks Debt Forgiveness

NAIROBI (Reuters) — Ministers from 68 African, Caribbean and Pacific countries will press the European Community to cancel millions of dollars of crippling debt at a meeting in the Ugandan capital Kampala on Monday.

The Gulf War, South Africa, economic reforms and export markets also figure on the agenda of the meeting between the Third World group and the 12-nation European trading bloc.

Japanese Firms Suitors of AUSSAT

CANBERRA (Reuters) — Australia plans talks with officials of two Japanese telecommunications carriers over the possible sale to them of satellite carrier AUSSAT Pty.

Communications Minister Kim Beazley said Nippon Telegraph & Telephone Corp. and Kokusai Denhin Denwa Co. were among 30 companies interested in AUSSAT. He said other interested groups include BellSouth Corp. of the United States, which has teamed with Britain's Cable & Wireless PLC.

Israel Appoints Privatization Chief

JERUSALEM (Reuters) — Israel appointed Joseph Nitzani to the chairmanship of Israel's Government Companies Authority, which manages state-owned firms, a Finance Ministry spokesman said Sunday.

Mr. Nitzani, 45, former director of the Tel Aviv Stock Exchange, is expected to advance the slow privatization program, which will reduce the state's stake in companies, including Israel Chemical Ltd., Bezeq Israel Telecommunications Corp. and El Al Airlines.

Jakarta to Review Banking Rules

JAKARTA (Reuters) — Indonesia is reviewing its banking supervision standards, Central Bank Governor Adnan Moeny said Saturday. "We are working to adjust systems in line with international banking standards," he said.

Indonesia opened up its banking system two years ago and bankers say inadequate controls to cope with the rapid growth in the sector was highlighted when Bank Duta, a major private bank, last year announced foreign exchange losses of \$419 million.

Allied Kajima Buys Philippine Hotel

HONG KONG (Reuters) — Hong Kong-based Allied Kajima Ltd. has reached an agreement to buy the luxury Plaza Hotel in Manila for 1.5 billion pesos (\$34.1 million), Allied Kajima said in a statement Sunday.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, February 22.
(Continued)

Symbol	High	Low	Close	Net
Alcoa	28 1/4	28 1/4	28 1/4	+ 1/4
Amgen	14 1/2	14 1/2	14 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2
Amstar	15 1/2	15 1/2	15 1/2	+ 1/2

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, February 22.

Option & price	Call	Puts	Option & price	Call	Puts
Alcoa	28 1/4	28 1/4	Amgen	14 1/2	14 1/2
Amgen	14 1/2	14 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, February 22.

Option & price	Call	Puts	Option & price	Call	Puts
Alcoa	28 1/4	28 1/4	Amgen	14 1/2	14 1/2
Amgen	14 1/2	14 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
Amstar	15 1/2	15 1/2	Amstar	15 1/2	15 1/2
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INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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ACROSS

- Speech defect
- Store
- Dracula's creator
- Cup
- Score
- Mr. Garbachev
- Horde
- First rate
- Taco toiler

DOWN

- Kind of ace or break
- Most luxurious
- Adherent
- Nickel or dime
- Professions
- Struggles
- Again
- the World
- Bar book abbr
- Overture
- Denuded

Solution to Friday's Puzzle

LATE	CATCH	EGGS
OPAL	OCALA	ARIE
DELI	NOTED	VIVA
EXCH	QUEER	BENET
URUS	KRIS	
NUB	SETS	ELOEST
ELECTRIC	LENNER	
STLO	CAP	OTTO
TROPHY	MALAPROP	
SAWYER	PRIM	ENE
RISE	LOOS	
CHAIR	FRANKCASE	
HONG	BOONE	ABOY
INCH	BLOCS	LIME
PIETT	CEDES	DEER

DOWN

- Tennis played
- Unemployed
- Blitter
- Show for critics
- Rum or
- Dinkson

37 J. Low org	6 Kid
38 Baseball bat	7 Hebrew lyre
39 Lumber	8 Hand work
40 Doane	9 Go signal
41 Islands	10 Old Testament book
42 bird sanctuary	11 Ibsen's "Peer"
43 Finit	12 Kitchen utensil
44 Ribbed fabrics	13 Kitchen utensil
45 Nautical chain	14 Plant pest
46 Propagated	15 Most obtuse
47 Ceremony	16 Cophered
48 Barrer	17 Conspiracy
49 Cranial mass	18 Cordial flavor
50 Taverns	19 Diversionary tactic
51 Roof overhangs	20 Similar
52 de	21 Waterway
53 de	22 Result
54 Table support	23 Bear
55 Tote	24 Raptnal sea bird
56 Surlet	25 Rebukes
	26 Bouquets worn at proms
	27 Nocturnal naps
	28 Invaders
	29 Arclies
	30 Staring's cousin
	31 Rum or
	32 Dinkson

New York Times, edited by Eugene Malachuk.

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Ecuador

Oil Sector Needs World Accord to Stabilize Prices

By Susana Antunes

LONDON — Oil is the lifeblood of the Ecuadorian economy. And while oil has brought many benefits to the country, it has also meant that Ecuador has had to learn to ride the roller coaster of oil's boom and bust cycle.

Ecuador first started exporting oil in the early 1970s. Its entry into the international market proved timely, just before the 1973 Middle East war sent prices soaring.

The resulting bonanza was used to fund a rapid modernization program. But in the 1980s, the boom turned to bust as oil prices lagged, leaving Ecuador, the second smallest producer of the Organization of Petroleum Exporting Countries, to cope with rampant inflation and a burgeoning foreign debt pile.

Now Ecuador exports 60 percent of its oil production, with the balance reserved for domestic consumption. Of the 175,000 barrels a day it exported in 1989, North America took 85,000, its Latin American neighbors 64,000, and the remainder went to Asia and the Far East.

In world terms, Ecuador's output is tiny, representing just 0.6 percent of total production. But the dollars these exports earn — \$1.2 billion in 1989 — fund half of the country's national budget.

Toward the end of last year, total production of 287,000 barrels a day was stepped up by 10,000 barrels, with another 10,000 due to be added this year. For a while, that extra output also promised a substantial boost to government revenues.

IN THE aftermath of Iraq's invasion of Kuwait, the price of a barrel of Brent crude, a benchmark for world prices, rose as high as \$41.90, and stabilized in the \$25-\$30 range. That compares with the \$11.96 Ecuador was receiving in June. Three months into the crisis, Ecuador's energy department announced that the higher prices combined with increased output would boost the country's revenues in 1990 by an estimated \$240 million.

That announcement sparked a debate over how the money should be spent. With half an eye on its credibility in the international banking community, Finance Minister Jorge Gallardo Zavala, who was succeeded in January by Pablo Better, floated the idea of using some of it to pay off Ecuador's foreign borrowings. Other politicians and businessmen had their own ideas: It should go to the poor, or it should help support industry.

In the end, the government proposed using the extra money to create an economic and social stabilizing fund to overcome the problems associated with development.

But the euphoria was short-lived. The launching of allied military action against Iraq in January was accompanied by a rapid decline in the oil price, which hit a low of \$17.25.

President Rodrigo Borja Cevallos, on a visit to France last week, said his country had been hit severely by the sharp fall in

Continued on page 15



Modern Guayaquil, Ecuador's largest port and export center.

Amazon Region Catches the Eco-Tourism Wave

QUITO — Ecuador's tourism industry is working hard toward destroying one of the greatest fallacies about the Galapagos Islands, that they are in Peru. In the past, the islands have been sold as the next stop on from Machu Picchu, almost as an extension of Peru. It has often been forgotten that the Galapagos belong to Ecuador.

The second great fallacy believed by those who have not visited Ecuador is that the Galapagos Islands are almost all the country has to

offer. Anyone who has walked the steep cobble streets of old Quito toward the 17th-century government palace and tree-lined Independence Square will have discovered another charming side to this country of 11 million people. However, Ecuador is now waking up to another of its treasures, which, if handled with care, could reap plentiful rewards. South America's vast Amazon region begins in central Brazil and stretches west across the border into neighboring Ecuador.

Using its experience of protecting the Galapagos Islands from overenthusiastic tourist activity, the tourism industry and Ecuadorian conservation groups are working together to try to meet everyone's demands. As they ride on the crest of the ecology wave, never before has there been such a great interest in Amazonia, in visiting it and preserving it.

However, there are still lessons to be learned

Continued on page 15

Time of Testing As Andean Pact Sets Integration

Government Weighs Effects Of Ending Regional Tariffs

By Louise Byrne

QUITO, Ecuador — Ecuador's economic policy will be put to the test this spring in Venezuela when it decides whether or not to rock the boat of the five-country Andean Pact.

Formed two decades ago, the pact, which comprises Venezuela, Colombia, Ecuador, Bolivia and Peru, will vote on whether to drop almost all import and export tariffs. All member countries, except Ecuador, have already decided to adopt the measure, opening up the region to free trade as early as next year. At the pact's November meeting in Bolivia, Ecuador appealed for time to consider the move.

However, the new Finance Minister, Pablo Better, hinted that Ecuador would toe the line, even if somewhat reluctantly.

"We are going to stay in the pact and are moving toward integration, but it is not just customs tariffs that concern us. We would like to see the elimination of all individual subsidies and restrictions by the other pact members," said Mr. Better, who succeeded Jorge Gallardo Zavala in January.

A special commission has now been set up in which the government and the private-sector industry meet to discuss ways to tackle regional integration before taking on other parts of the globe. Ecuador's ability to compete against some of its larger, more efficient neighbors, from next year on, is the main concern. The government has already reacted favor-

ably, making a number of structural reforms including lowering tariffs to an average 30 to 35 percent, reforming the tax system, and making initial changes in the highly protective labor laws.

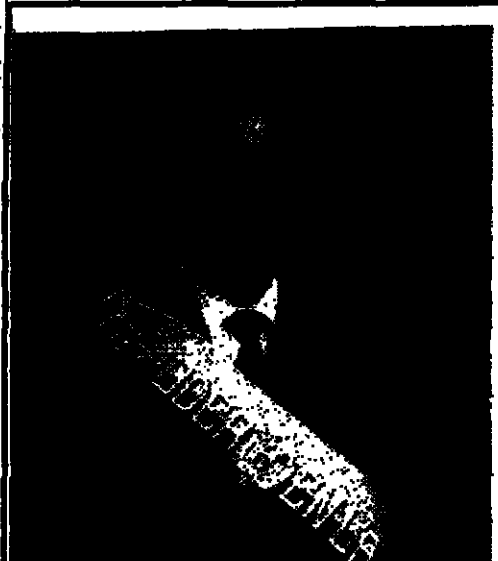
Some analysts, however, say the government could still be moving faster toward a further reduction in trade barriers by heading toward free-market interest rates, the elimination of price controls on basic goods and services, more detailed reform of the labor laws, privatization and more aggressive promotion of local and foreign private investment.

The new moves on the trade front are part of an economic plan that sees more dynamic foreign trade and investment as one of the keys to reactivating the Ecuadorian economy. As well as tackling inflation, it will also prepare for the predicted end to the country's oil reserves, which account for 50 percent of exports, at the turn of the century.

Economic growth in Ecuador, a country of rich natural resources and agricultural land, has recently been uneven as it is held at the mercy of international economic developments and natural disasters. Petroleum prices are volatile, and flooding and blights also affect exports. In 1987, an earthquake cut the Trans-Andean oil pipeline for six months. The economy fell 6.0 percent that year, rebounding by 11.2 percent in 1988.

The government of President Rodrigo Borja Cevallos got off to a good start in 1988, bringing down inflation from over 85 per-

Continued on page 14



DR. RODRIGO BORJA CEVALLOS
CONSTITUTIONAL PRESIDENT OF
THE REPUBLIC OF ECUADOR.

REPUBLICA DEL ECUADOR
MINISTERIO DE FINANZAS
QUITO



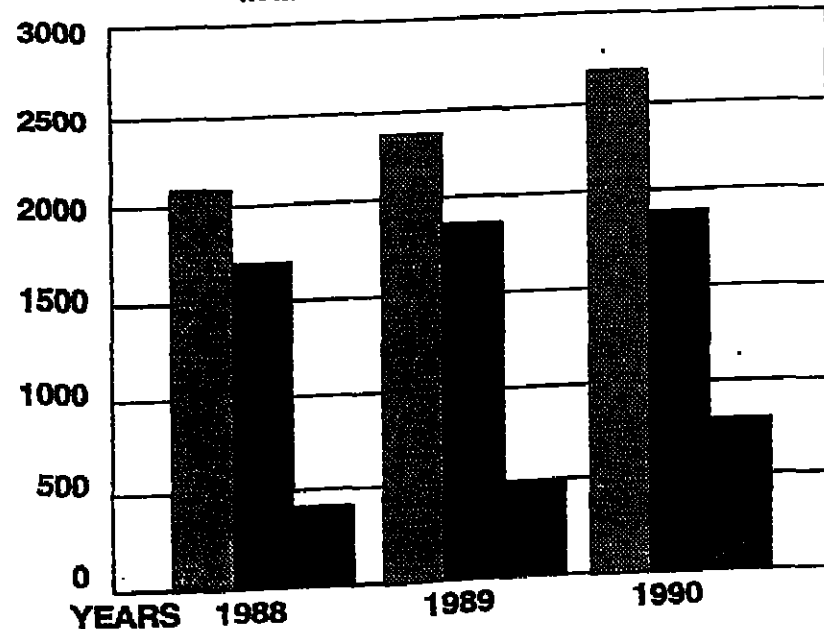
DR. PABLO BETTER
MINISTER OF FINANCE
AND PUBLIC CREDIT



ECONOMIC INFORMATION OF THE REPUBLIC OF ECUADOR IN MILLIONS OF DOLLARS

EXPORTATIONS	1988	1989	1990
PETROLEUM	875.2	1,032.7	1,286.2
BANANA	297.8	368.5	467.9
COFFEE	152.4	142.0	104.2
SHRIMP	387.0	328.2	340.3
OTHERS	148.3	153.8	174.5
TOTAL UNPROCESSED GOODS	1,860.6	2,026.3	2,353.0
PETROLEUM DERIVATES	100.9	114.7	150.3
ELABORATED COFFEE	17.5	19.9	25.7
ELABORATED COCOA	47.7	52.8	56.3
FISH FLOUR	59.5	29.5	8.8
OTHERS	106.6	110.5	128.0
TOTAL PROCESSED GOODS	332.3	327.6	369.2
TOTAL EXPORTATIONS	2,192.9	2,353.9	2,722.2
TOTAL IMPORTATIONS	1,713.5	1,854.8	1,861.7
TRADE BALANCE	479.4	499.1	860.4
MONEY RESERVE	(176.0)	203.0	603.0

COMMERCIAL BALANCE OF ECUADOR IN MILLIONS OF DOLLARS

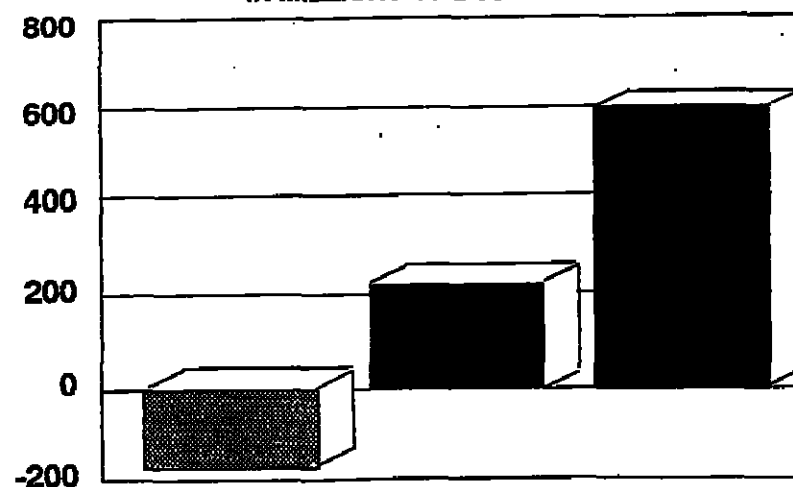


EXPORTATION
IMPORTATION
TRADE BALAN.

SOURCE:
CENTRAL BANK OF
ECUADOR
DATE:
FEBRUARY 1991



INTERNATIONAL MONETARY RESERVE IN MILLIONS OF DOLLARS



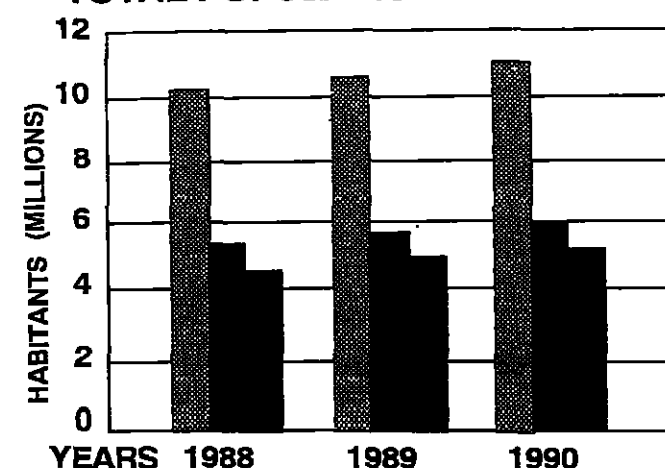
DIRECCION GENERAL ADMINISTRATIVA Y DE SERVICIOS GENERALES QUITO - ECUADOR

POPULATION OF THE REPUBLIC OF ECUADOR

	1988	1989	1990
RURAL POPULATION	4,674,313	4,738,550	4,804,780
URBAN POPULATION	5,529,409	5,751,699	5,976,833
TOTAL POPULATION	10,203,722	10,490,249	10,781,613

SOURCE: NATIONAL INSTITUTE OF STATISTICS AND CENSOR INEC
DATE: FEBRUARY 1991

TOTAL POPULATION OF ECUADOR



POP. TOTAL
POP. URBAN
POP. RURAL

1988
1989
1990

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INFORMATION ON ECUADOR
FAX: 500702

Foreign-Debt Negotiators Look for Compromise

By Mark Jones

LONDON — Bankers and Ecuadorian debt negotiators are hopeful that an agreement on restructuring the country's \$6.48 billion in debt can be reached this year. Although the most recent meeting between the two sides in New York earlier this month did not lead to any substantive agreement on the many issues that divide them, a compromise does now look more likely than it has for some time.

Bankers concede that it will be at least six months before an agreement in principle can be signed. One of the main obstacles to an agreement is the fact that, in common with Brazil and Argentina, Ecuador has accumulated substantial interest arrears over the four years since it ceased to fully service its bank debt.

Ecuador ceased paying interest on its bank debt in January 1987, but resumed payments at a reduced level of roughly 30 percent of its interest obligations in July 1989. The payments have not always been regular, with Ecuador missing a payment as recently as January, and bankers estimate that interest arrears now amount to \$1.3 billion.

The arrears problem is most acute for the \$1.4 billion in debt covered by the last restructuring agreement, signed between Ecuador and its creditor banks in 1986 and known as the consolidation agreement. Although Ecuador resumed interest payments on most of its debt in 1989, it still does not pay any interest on this particular portion.

The banks will require a resolution of this issue before a wider agreement can be reached, an approach that has been common practice in debt negotiations for some time.

The two sides have met on a number of occasions over the past year but have found little common ground. Progress on negotiations has not been helped by the fact that two successive chief debt negotiators, Abelardo Pachano and Andres Vallejo, have resigned over that period.

Mr. Pachano resigned in July of last year over disagreements with President Rodrigo Borja Cevallos on economic policy, while his replacement, Mr. Vallejo, was forced to surrender his position in October after being impeached by Congress for human rights violations while he was interior minister.

Germanio Salgado has held the post since then.

There are other factors that account for the relatively slow progress in negotiations. Lloyds Bank, which chairs the country's Bank Advisory Committee, has been criticized for its less than energetic search for a debt agreement. Some bankers would prefer the more aggressive Citibank to be in charge, although such a change is unlikely.

The two sides have also been in dispute over the relatively peripheral issue of how much interest the country can afford to pay under its current agreements, rather than concentrating on working out a new agreement.

The oil price rise in the immediate aftermath of the invasion of Kuwait led banks to demand a higher level of debt servicing out of increased oil revenues. Ecuador refused to increase its interest payments, a position that would appear to be justified by the fall in oil prices since the outbreak of the war.

The whole episode, however, has delayed the more important discussions on the long-term restructuring of Ecuador's bank debt.

ECUADOR is looking for an agreement that would be broadly in line with those secured by Mexico, Venezuela, Uruguay and Costa Rica under the so-called Brady Plan.

This would include a debt buy-back at a price close to the value of Ecuadorian debt on the secondary market for developing countries. The idea is to reduce the outstanding stock of debt, with the conversion of the remainder into collateralized par or discount bonds.

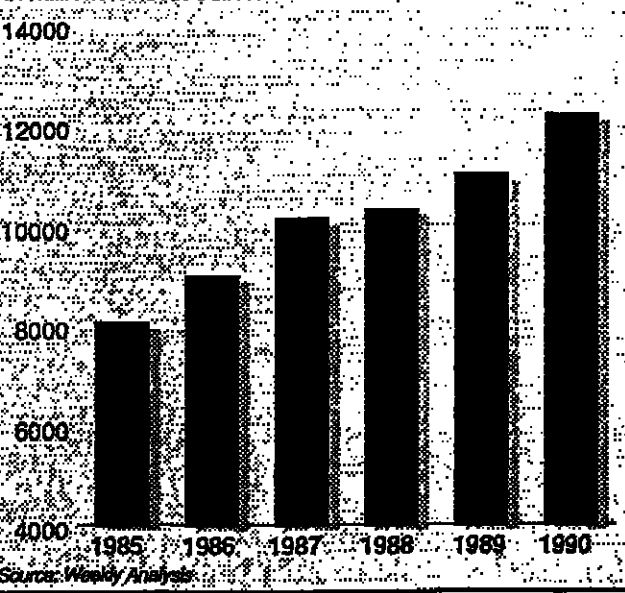
Although this has become a familiar package for both bankers and country-debt negotiators, the main issue is how much of a reduction in principal or interest payments Ecuador deserves.

In May of last year, Ecuador publicly demanded a reduction in principal of 70 percent — twice that received by Mexico — or a reduction in interest on an unchanged nominal amount to 2.5 percent.

At the moment, Ecuador is supposed to pay between Libor plus 1 and 3/8 percent or Libor plus 2 and 3/8 percent on roughly \$6.4 billion in bank debt. (Libor is the London interbank offered rate.) Unsurprisingly, the banks rejected this proposal out of hand.

Ecuador's Foreign Debt

In millions of U.S. dollars.



Source: Weekly Analysis

International Herald Tribune

Since then, little in the way of alternatives has been proposed by either side.

It is now understood, however, that Ecuadorian officials are working on new proposals that will combine a smaller principal reduction with higher interest payments. Although the precise details of the revised offer are not known, it is widely thought that it will form the basis for serious negotiations eventually leading to a debt agreement.

As a result of local press reports to this effect, the price of Ecuadorian debt on the secondary market has been rising steadily over the past few months to currently stand at roughly 20 percent of face value.

"People are beginning to take a position in the expectation that an agreement will be reached this year," said a London debt trader.

One of the problems that has faced both banks and debtor countries in negotiations since the Brady Plan was first mooted in early 1989 is the fact that, until individual banks have chosen from among a number of options on offer, the total amount of debt relief is not known.

Some debtor countries have tried to get around this problem

by attempting to negotiate a deal, which, for example, will specify the total amount of debt to be included in the buy-back.

This is the approach that Ecuador has chosen in past negotiations. Banks, however, have insisted that they be presented with a range of options they can choose from to reflect their own individual positions.

It now seems likely that Ecuador will agree to this approach. The difficulty will then lie in agreeing on numbers for each option that will confine the possible outcome within an acceptable range for the country.

This can best be illustrated using the most recent Latin American debt agreement to incorporate the elements likely to be included in the Ecuadorian package.

Under Uruguay's recent agreement, banks had three options to choose from. Of these, 39 percent chose to sell their debt back to Uruguay at a price of 56 percent of its nominal value. The remainder chose to convert their debt into new instruments.

The immediate cost to Uruguay of the buy-back was \$358 million, leading to savings later on interest servicing. Before the banks responded to the Uruguayan offer, however, it was impossible to tell how much the deal would cost the country up front, or how much it would save later on.

The problem is complicated in Ecuador's case by the fact that it has a larger number of bank creditors. At the time of Uruguay's agreement, it had 69 creditor banks, so that it was relatively easy to assess the possible outcome of any combination of op-

tions by sounding out the individual banks in advance.

Ecuador, however, has somewhere between 400 and 500 banks, making individual consultations practically impossible.

THE COST of the buy-back, since it is an immediate cash expense for the country, reducing its hard currency reserves and forcing it to borrow from multilateral and bilateral sources where possible, is always one of the thorniest issues in debt negotiations. The usual reference point is the price of the debt on the secondary market.

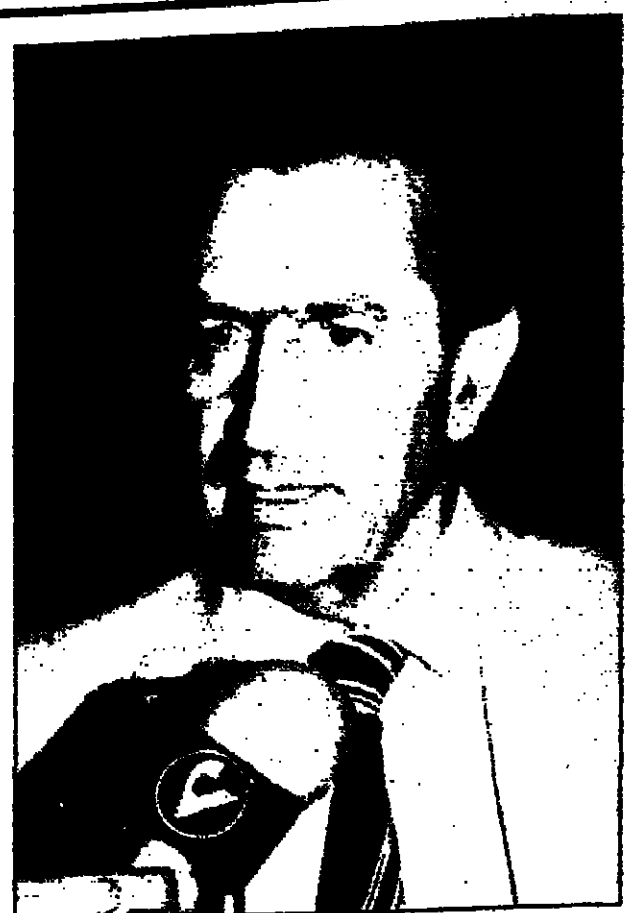
This has a habit of shifting, however, in response to changes in the likelihood of a debt agreement being signed, particularly when a buy-back is included.

Sometimes, although this can never be officially confirmed, banks will try to force the price of debt up on the secondary market in order to argue for a higher buy-back price.

Because relatively small purchases of debt can lead to significant increases in its price, this is a relatively inexpensive strategy for banks to pursue.

Equally, the country can deliberately attempt to lower the price of debt by canceling debt conversion programs where they exist. Debt conversions have never, however, been a major factor in Ecuador, and have largely been restricted to investments in social or environmental programs, which involve relatively small amounts of debt.

MARK JONES is a journalist with the financial section of the BBC.



President Rodrigo Borja Cevallos

Borja's Response To Challenges of Economic Revival

RODRIGO Borja Cevallos, 55, has been president of Ecuador since 1988. With less than 18 months to go before new elections in which, constitutionally, he cannot run again, Mr. Borja faces the challenge of reviving an economy that relies heavily on depleting oil reserves. Economic growth recovered by 1.3 percent last year, but inflation, at just under 30 percent a year, is still higher than government predictions. Louise Byrne met with Mr. Borja in Quito this month.

You had hoped to receive a "windfall" in extra income from higher prices paid for Ecuador's oil this year. Now that this looks less likely, how has it affected your economic plans?

BORJA: We are already feeling it in our economy, which is very sensitive to the impact of the fall in oil prices. During the first five months of the crisis in the Gulf, petroleum prices went up more than 50 percent and because of this we formed a stabilization reserve fund. Now we have to reformulate our plans for the spending of this money in accordance with the new circumstances brought about by the fall in petroleum prices.

Will you use this money internally or perhaps to pay off some debts?

BORJA: We haven't made any decisions yet because what has happened has forced us to change our plans and probably to look for other destinations for this money, for example, internal development projects.

You once said that Ecuador has got to stop living like the oil sheikhs and live like Latin Americans. How was Ecuador living like the oil sheikhs?

BORJA: At the beginning of our petroleum era there was a spirit that I called the *petroleista* era, which generated enormous consumer habits. This increased the size of the state and created new institutions that didn't place enough priority on using the income generated from oil to find alternative sources of natural wealth.

And how does one live like a Latin American?

BORJA: With austerity and thrift and with strict priorities when it comes to public expenditure.

Accepting that Ecuador does not have a problem with the consumption and production of drugs, do you consider the fact that Ecuador is used as a transit point a problem?

BORJA: Occasionally, there is a seizure of small quantities of drugs in transit through our country. But they are isolated and occasional cases. We still don't have a drug problem. However, my government thinks that it has a fundamental obligation to prevent the scourge of drugs from spreading to Ecuador. We are surrounded by countries where there is production, refinement and commercialization of drugs. We are an island in the middle of these countries, but we must make an effort to remain that way so that drug trafficking does not form part of either the Ecuadorian economy or political life.

Would Ecuador accept help from other countries in the battle against drug trafficking?

BORJA: Not only would we accept, but we are asking for help so that we can begin the fight against drug trafficking early, not just starting when things have already advanced and the job is much more difficult and laborious. This is the time to start to have total success.

How do you see the relationship between Ecuador and a united Europe after 1992?

BORJA: From the geopolitical point of view, the role that integrated Europe, the Europe of the 12, will be called upon to play is very important. From the economic point of view, it will be an immense power, essentially the second economic power of the planet.

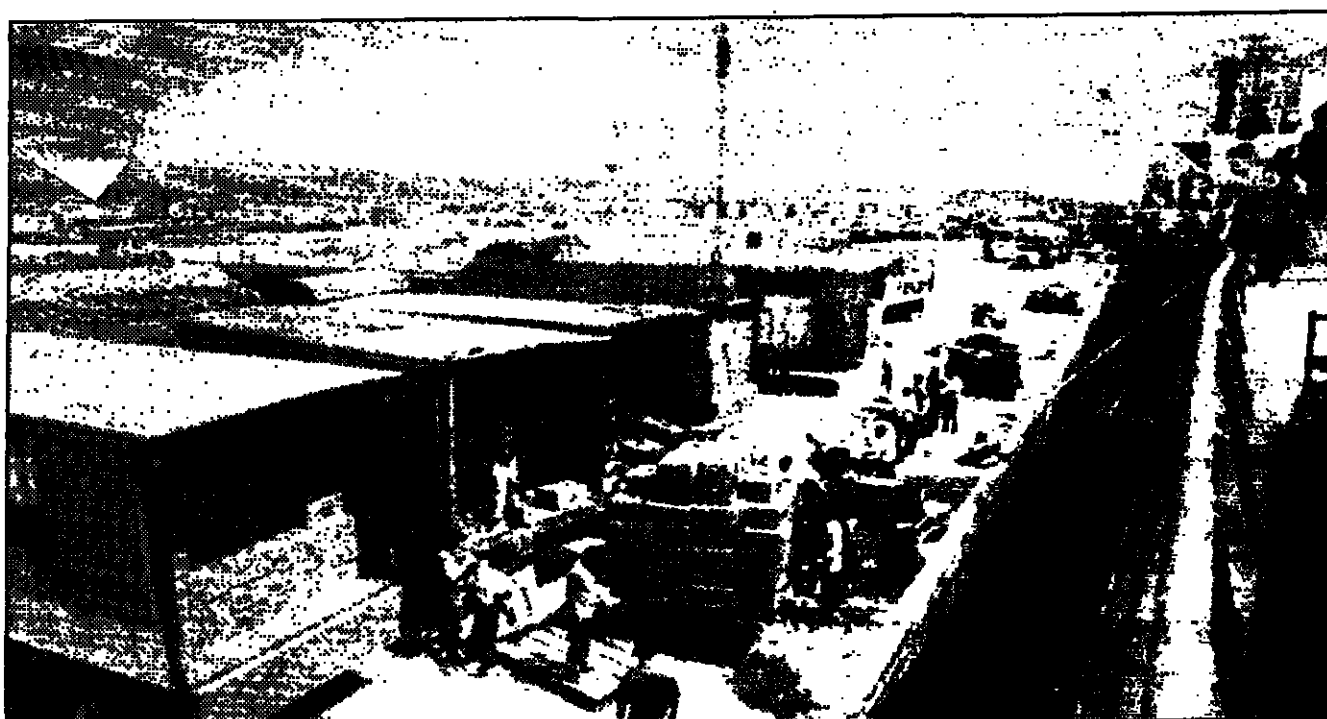
But we here in Ecuador have two fears. One is that Western Europe will treat with special priority its relations with the Eastern European countries, which have become democratic after long decades of authoritarianism. That means that the countries of Eastern Europe are going to enter into competition with Latin America and the Third World as receivers of the limited resources of international cooperation that exist in the advanced capitalist countries. The other fear is that the protectionist policies that Europe follows, particularly in the agricultural field, adversely affect not so much Ecuador as other Latin American countries in the temperate regions that produce agricultural products that cannot either enter Europe at the moment or compete with the subsidized products. These are the fears that I have in respect to Europe after 1992.

Do you think that your gradual economic reform, as opposed to a short, sharp shock, is the best option for the Ecuadorian people?

BORJA: There are two options in the measures we have to take to confront the economic crisis in our country. One, shock measures: two, gradual measures. We have rejected as socially unjust the first because the measures have a very severe impact on the poor levels of the population: unemployment, repressed wages, sharp price rises for gasoline and public services, and other similar measures that seriously affect the less fortunate. The second option is gradual measures that progressively produce changes and modifications and allow us to confront the economic crisis with, comparatively speaking, consequences that are less grave than in other Latin American countries. Brusque measures seriously affect small businesses, the middle-level companies, the micro-enterprises and people of low income while they favor large companies.

Do you think this year will be your hardest year since you have taken office?

BORJA: Yes. In our country there is a tendency to start electioneering early. This means a lot of opposition politicians have appeared during the last year and a half to campaign hard against the government and to only speak of mistakes, with the sole intention of accumulating votes for the 1992 elections. This is an ingredient that creates turbulence in the political life of the country.



Loading bananas for export at the port of Guayaquil.

Time of Testing Over Andean Integration

Continued from page 13

cent a year to 54 percent by the end of 1989. However, in 1990, public spending increased, monetary growth remained high and inflation stabilized at just under 30 percent, higher than government predictions.

To combat the fallback, the Borja government cut spending in the second half of the year by 11 percent of the original budget. Meanwhile, higher prices from the country's petroleum were also expected to ease the fiscal debt and inflation pressures. By the end of the year, the monetary reserve stood at \$350 million and economic growth was 1.5 percent, up 1.3 percent in 1989.

But with petroleum prices on a downward trend since mid-January, it has become clear that Ecuador will not be able to rely on a "windfall" in petroleum income as a result of the Gulf war. Suggestions that Ecuador might put some of the extra revenue toward rebuying some of the foreign debt have also become less realistic. At present, 24 percent of the budget goes toward payment of 30 percent of the interest due on the debt.

Nevertheless, Ecuador's socialist government continues to reject the "shock" anti-

inflation program of the type favored by the International Monetary Fund and instead adheres to gradual economic reform with a drive on foreign trade and investment.

"We are against a shock plan," said Mr. Better. "What we are going through at the moment is a trimming process. We are not satisfied with the level of inflation, but compared to other countries in the region, it is not alarmingly high."

Ecuador has a population of over 11 million and is the fastest growing country in Latin America, with an annual growth rate of 2.8 percent. Unemployment is set at around 8 percent and under-employment is estimated at between 40 and 60 percent. There is also a large informal economy. Relatively frequent price hikes and weekly minor devaluations of the national currency, the sucre, have reduced the buying power of the middle and lower classes. The minimum salary rose in January to just over \$40 a month. Although it is one of the lowest in the region, most Ecuadorian workers are entitled to three extra monthly salaries paid at the end of the each year.

The government does not deny that the burgeoning public sector, which grew from 37,000 to 450,000 in 1990, must be cut, but

rejects full-scale privatization as a possibility for a country as small as Ecuador.

"There will be some disinvestment of areas which are not monopolies, such as sugar plants, hotels and cement factories, but we are not otherwise going to follow the fashion of the moment," Mr. Better said. "Obviously, there will be some job losses, but this government also recognizes its social obligation to the people."

That obligation does not presently extend to the private sector. In order to limit inflation, the government has imposed tight restrictions on lending by private-sector banks.

"We do not want to subsidize the private sector anymore," Mr. Better said. "We want to encourage them with such things as lower import tariffs so that they themselves will strive to be more efficient."

If Ecuador agrees to the Andean Pact proposal to drop most tariffs by the end of the year, the country will face head-on a challenge that may not only revive the economy, but also open Ecuador to the outside world.

LOUISE BYRNE is a journalist based in Rio de Janeiro who reports on South America for *The Observer* and *The Times* of London.

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مكتبة العدل

Ecuador / A Special Report

Shrimp Trade Seeks Technology Update

By Louise Byrne

QUITO — They are calling it the "Pacific Revolution" and Ecuador's exporters hope it will change the face of the country's trade in traditional products. In January this year businessmen presented President Rodrigo Borja Cevallos with a document that called for urgent government measures to revitalize traditional exports.

Presented by representatives of Ecuador's major agricultural and marine export sectors, the report grew from an initiative by members of Ecuador's coffee and shrimp exporters. Coffee has long been a traditional export product for Ecuador and the shrimp trade became one of the most dynamic growth areas in the country's economy in the 1980s.

The exporters acknowledge that the government has incorporated a new drive on exports into its economic plan, but say the support is aimed at new or more minor exports and not at the traditional exports, which are themselves suffering problems.

However, the "Pacific Revolution" does not call for increased support and cooperation from the government alone. According to the exporters, 75 percent of the investment needed to reactivate the area could come from the private sector through debt conversion over a period of four to five years. This kind of support would bring in an extra \$2.7 billion, or an increase of 204 percent, to the country's exports.

"We are asking the government for a series of incentives to attract investors," said Eduardo Egas, executive director of FEDECAM, the Ecuadorian Federation of Shrimp Exporters and also the National Council of Shrimp Producers. "We don't need more land to expand. What is needed is more money for research into technology that would improve productivity and develop new related exports. There is a lot of potential that is just not being exploited."

In 1988, at the height of production, the Ecuadorian shrimp industry earned more than \$300 million in exports and provided over 200,000 jobs. Today, Ecuador is the largest shrimp producer in the Americas and the fourth world producer behind China, Indonesia and Thailand. It is also the second largest supplier to the United States.

In 1989, the shrimp industry experienced a depression, which, ac-



Only 9 percent of Ecuador's shrimp comes from marine catches; the rest is cultivated on more than 1,500 farms.



Later American Development Bank

According to Ecuador's exporters, was the result of a decline in world shrimp prices, rising shipping costs, climatic changes and the government's restrictive monetary policies, which have stagnated investment and reduced profits.

Abnormal weather conditions over the last two years have led to a drop in seed growth in a country that presently cultivates shrimps from 55 percent natural marine

seed and 45 percent from laboratory reproduction. Cultivated shrimp production on farms is now 91 percent, with the remaining 9 percent from marine catches. The industry would like to move to a situation where 90 percent of seed larvae production also comes from the laboratory. Most of Ecuador's 1,567 shrimp farms, spread over 126,000 hectares (about 311,000 acres), are found

near the western port city and commercial center of Guayaquil. The rest are spread along the tropical lowlands from the state of Esmeraldas in the north to El Oro state in the south.

Despite the recent decline in the industry, shrimp exports in 1990 increased in volume by 14.1 percent, although income only rose by 3.7 percent. Today, shrimp is Ecuador's third largest export behind oil and bananas and accounts for some 12.5 percent of total primary exports.

"The normal year-round temperature of between 25 and 28 degrees centigrade [77 and 82 degrees Fahrenheit] in Ecuador, plus the organically rich water, is ideal," Mr. Egas said. "Unlike in some other countries, we can repeat the 120-150-day cultivation cycle all year round."

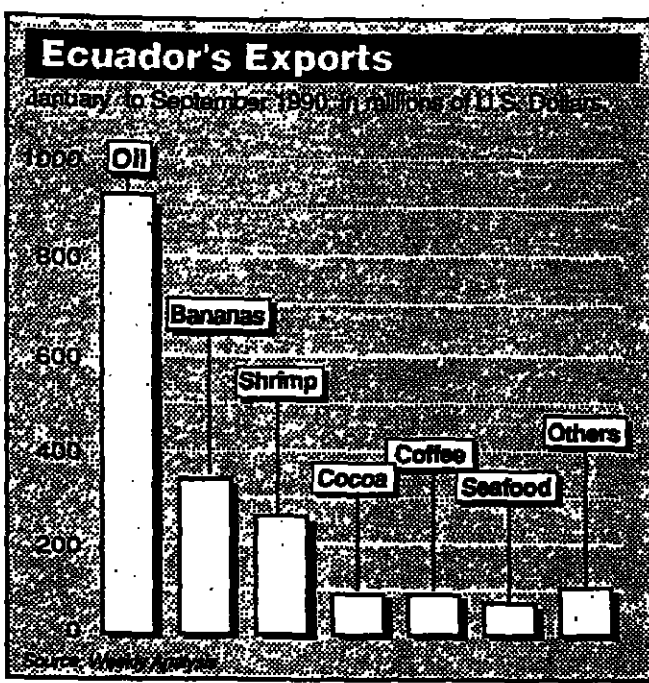
Once they have completed their growth cycle, the shrimps are stored in ice and packed frozen in containers. In 1990 an estimated 71,000 metric tons of frozen shrimps worth \$328.58 million were exported by more than 1,500 farms. Headless shrimps are exported to the United States, while Europe prefers to receive the whole shrimp. "The States believe the shrimp is healthier without its head. Europe prefers to

have the head to see how fresh the shrimp is," Mr. Egas said.

In 1988, 90 percent of Ecuador's shrimp exports were to the United States. However, the industry has now adopted a policy of diversification in an attempt to leave it less vulnerable to U.S. policy changes or saturation of the market, which would bring prices down.

EUROPE is looked upon as a potential major new market, with Ecuador already the main supplier of shrimp to Spain. Last October, Ecuador also benefited from new agreement aimed at the four South American countries affected or threatened by the drug trade. For four years the European Community has canceled all tariff restrictions on agricultural and sea produce from Venezuela, Colombia, Ecuador, Bolivia, and Peru. The likely cancellation next year of tariffs on trade among the same Andean Pact countries will not affect the shrimp trade since Ecuador is not a major exporter of shrimp to its neighboring countries.

"We need investment and the opening of the channels of commercialization so that we can also develop other fish products such as mussels, crabs, octopus and lobster," Mr. Egas said.



Among Ecuador's leading exports, bananas are a distant second to oil.

Oil Sector Needs Price Accord

Continued from page 13

week, said his country had been hit severely by the sharp fall in the price of oil. Because of capacity problems, he said, Ecuador had little margin to raise oil production even if it were allocated a higher oil quota in any new OPEC deal that might emerge.

Meanwhile, OPEC ministers have arranged a meeting in Vienna on March 11 to review the market situation, amid fears in some quarters that oil prices could tumble below \$10 a barrel once fighting stops in the Gulf. Mr. Borja is eager to get an agreement to stabilize prices. "It is essential to have a frank and open meeting of producer and consumer countries to seek a consensus which would stabilize the price," he said.

IN THE late 1980s, the government established the Petroecuador oil holding corporation, on which all oil activities are now concentrated. By 1989, Petroecuador, in partnership with Texaco, accounted for more than 75 percent of output. With annual production in Ecuador of over 100 million barrels, proven oil reserves are sufficient for around 10 years.

Efforts are being made to secure further deposits with the assistance of foreign oil companies. Conoco, for example, recently discovered oil in the northeast of the

country and is awaiting the go-ahead to develop the field, which is capable of producing 40,000 to 50,000 barrels a day.

Meanwhile, Elf Aquitaine of France and the American firms Occidental Petroleum and Belco Petroleum are believed to have made several significant oil finds in the last few months.

BUT as well as bringing in dollars, oil has earned Ecuador a whole series of problems. Two decades of oil exploration and development have destroyed vast tracts of Ecuador's Amazon rain forests, and left many of its streams and rivers heavily polluted.

The damage has not escaped the notice of environmentalists, who have campaigned vociferously. Last week, environmental lobby groups in Paris, using the opportunity of Mr. Borja's visit to France, claimed that oil companies working in Ecuador's Amazon region have spilled more crude than was lost in the slick caused by the Exxon Valdez in Alaska in 1989.

Responding to this, Mr. Borja said Ecuador was committed to protecting the environment, but added that it was necessary to strike a balance between ecology and development. "There are sometimes accidental spills," he said. "But we have taken all the necessary precautions."

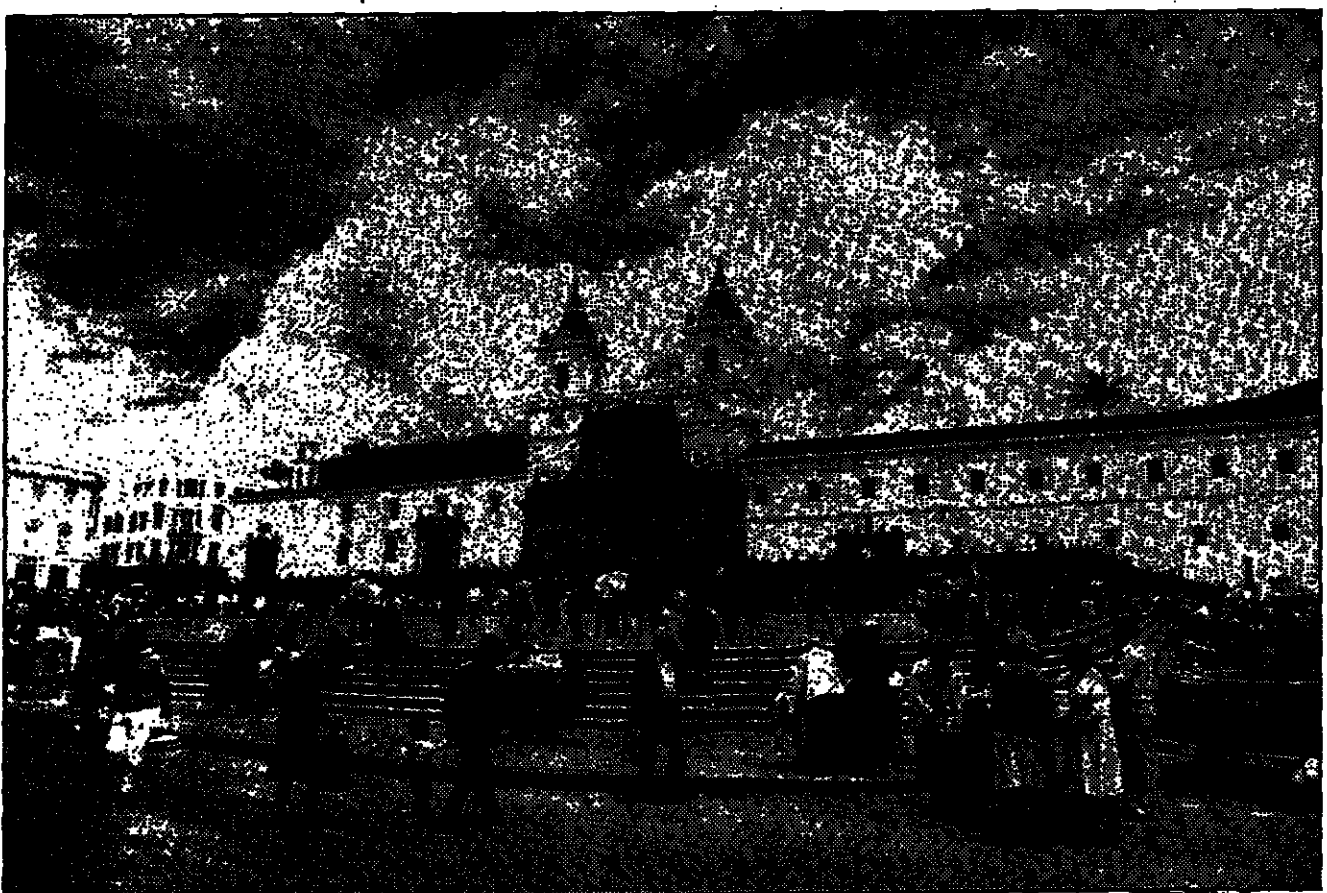
The campaign within Ecuador has focused on the plight of the Waorani Indians, a small tribe living in the middle of the area scheduled for Ecuador's next round of oil development.

The threat posed to the tribe by sudden and massive change has elevated these Indians to the status of a national cause and an international concern. "Saving the Waorani" is seen as the key test of the government's commitment to the environment.

Mamuel Navarrete, who heads up Petroecuador's environmental unit, believes there has been a policy shift in the government. Although the task of cleaning up will be long and difficult, he thinks that both the political will and the necessary resources are there to make the cleanup possible. But the arguments rumble on. One group of ecologists is demanding a 10-year moratorium on all exploration in the Waorani lands and in all national parks.

Nobody is suggesting that Ecuador should or can afford to stop oil exploration altogether. But campaigners want to ensure that future development is for the good of Ecuador's environment as well as its national wealth.

SUSANA ANTUNES is a journalist for Channel 4's "Business Daily" in London.



A church plaza in Quito on market day.

Amazonia Catches Eco-Tourism Wave

Continued from page 13

from the tourism experience on the Galapagos. Although the number of tourist visits to the islands is limited to 50,000 a year, some parts of the Galapagos have still been overtrampled by visitors in search of unique wildlife. In April this year a government-appointed commission is expected to bring out a report that will suggest a new strategy for protecting the Galapagos National Park, 970 kilometers (about 600 miles) off the coast of Ecuador.

"Since the 1970s, tourism to the islands has increased considerably and it is now necessary to create different visiting zones and to regulate planned new hotels," said Gustavo de Avila, deputy executive director of the state tourism organization, CETUR. "This will preserve the islands and also be of social, economic and political benefit to the 14,000 people who live on them."

Meanwhile, the Ecuadorian Foundation for Tourist Promotion, FEPROTUR, is carrying out a study on the impact of tourism on the Amazon region. Many areas are protected by law as reserves or national parks; for example, the ecological reserve of Cayambe Coca, the Sangay National Park, and Yasuni National Park, declared by Unesco a "reserve of the biosphere." But statistics show the area will still receive a battering in the years to come, as tourism to Ecuador's natural regions is expected to increase by up to 15 percent annually.

Some 300,000 foreign tourists visited Ecuador in 1989, 18.5 percent from the United States. (Ecuador is concerned by the cholera epidemic in neighboring Peru but has not itself reported any cases. The U.S. State Department has not issued any advisories on travel to Ecuador.) Tourism is the fourth largest foreign

exchange earner for Ecuador and in 1989 brought in \$180 million.

Alongside nations like Brazil, which are still struggling to put into practice adequate environmental protection policies, Ecuador has a respectable conservation record and is anxious to keep it that way. Speaking at the First Seminar on Amazon Tourism in Manaus, Brazil in November, the executive director of CETUR, Bruno Storziole de Avila, said, "The present global environmental challenges mean there is an increasing interest, especially among the younger generations, in the people and geography of the developing world and in conservation on a wider scale. It is essential that we recognize and are conscious of the role our countries' natural resources could play in the future of the planet. Ecology tourism or eco-tourism should serve as a tool for both conservation and development."

Created in 1989, CETUR has begun a campaign to promote tourism both at home and abroad. A radio, television and newspaper campaign began in December that encourages Ecuadorians to appreciate the importance of tourism to the national economy and a special fund is being planned to help smaller and middle-level entrepreneurs improve their tourist facilities or services. CETUR officials are attending more international tourism fairs and the organization is thinking of adding a European office to its present one in Miami.

There are also suggestions that investment in Ecuadorian tourism could be made through foreign debt "swaps" and that other incentives be given to those wanting to invest in tourism. "We have three jungle safari-type projects available for inspection here in Quito and in need of investment," Gustavo de Avila said.

Metropolitan Touring, which has been operating in Ecuador for 38 years, has already

moved ahead with its own plans to mix tourism with conservation. Two months ago it set up the Ecuadorian Foundation for Conservation and Sustainable Development, or FECODES. With the financial and technical help of non-profit organizations such as the Rainforest Alliance and Medicine and Plants of the United States, FECODES will be building a scientific station in the Aguarico River region near the Peruvian and Colombian borders with Ecuador. There, it will be dedicated to research and environmental education and protection as the company works toward developing "safe" tourism patterns in the region.

Starting in August, tourists will be able to visit Imuya Lake, where they will see rare birds, dolphins and manatees, a type of marine cow. "We will be allowing a maximum of 20 tourists to visit Imuya Lake for no more than 24 hours at a time," said Raul Garcia of Metropolitan Touring.

There are also three- to four-day trips on a "flotel," which has been navigating the rivers of the region for 15 years, and visits to research stations. "We expect the visitors to come equally from Ecuador and abroad and see this new kind of eco-tourism as a pilot for future projects," Mr. Garcia said.

FECODES will be using solar energy and electric motors for the boats to avoid pollution of the water and noise, and also plans to set up Ecuador's first recycling plant for the rubbish from its tourism operations.

"We feel it is time to give the Galapagos a bit of a rest and if in the past we have used the environment to work for us, now we are working for the environment through tourism," Mr. Garcia said.

Louise Byrne

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MONDAY SPORTS

Gooden Resumes Talks With the Mets

PORT ST. LUCIE, Fla.—Dwight Gooden changed his mind Sunday and told his agent to continue negotiating an extension of the pitcher's contract with the New York Mets.

Gooden, seeking to match the four-year, \$21.4 million contract Roger Clemens received from the Boston Red Sox, had set a Friday deadline on the talks and rejected a three-year, \$13 million offer from the Mets. He has one year remaining on his current contract and will earn \$2.25 million in 1991.

"I did a lot of thinking after Friday," Gooden said. "I really wasn't comfortable with the way things are. I came around my locker, wanting to talk and relax the contract. I didn't want to have to go through that any more."

"I read some of the papers and it didn't seem

like me. I decided to take the pressure off and do away with the deadline."

Gooden said he advised his agent, Jim Neider, that he could continue talks with the Mets during the season.

"I just want to come to the park and worry about pitching," Gooden said. "I'm not closing the door on anything."

Frank Cashen, the general manager of the Mets, said that "it's good news for us."

Gooden, 26, has pitched seven seasons for the Mets, winning a Cy Young Award and posting a record of 119-46, for the highest winning percentage (.721) in baseball history for any pitcher with 100 or more triumphs. Last season, a year after being hampered by shoulder problems, he went 19-7, finishing second in the National League in strikeouts and winning 16 of his last 18 decisions.

Last spring and summer, the Mets refused to

meet the demands of Darryl Strawberry, and when the outfielder became a free agent in October, he signed a \$20.25 million, five-year contract with the Los Angeles Dodgers.

Until Clemens's deal, the top contract for a pitcher was Dave Stewart's average annual salary of \$3.5 million with Oakland. (AP, NYT)

Lind Loses Last Arbitration Case

Joe Lind lost the final arbitration case of the year on Saturday, when the arbitrator, Raymond Goetz, picked the Pittsburgh Pirates' offer of \$375,000 over the second baseman's request for \$590,000. The Associated Press reported.

Of 159 players who filed for arbitration, all but 17 settled before hearings. The owners won 11 of the cases decided, the first time in three years they won more cases than players.

Even though he lost, Lind, 26, more than doubled his 1990 salary of \$270,000.

Faldo Heads 94 Golfers Invited to Play Masters

THE ASSOCIATED PRESS

AUGUSTA, Georgia—Nick Faldo of Britain, seeking an unprecedented third straight Claret, heads the list of 94 golfers invited to this season's first major golf tournament, the Masters on April 11-14.

The list (see Scoreboard), announced Saturday night, included Steve Elkington of Australia and Frankie Minco of the Philippines, who played on the PGA Tour and won last year's Greater Greensboro Open. Minco led the Asian Tour last year with four victories.

Among the amateurs invited were Rolf Munz of the Netherlands, the 1990 British Amateur champion, and Manny Zerman of South Africa, runner-up in last year's U.S. Amateur.

Alabama Ranks High in WLAF

THE ASSOCIATED PRESS

ORLANDO, Fla.—Two former University of Alabama teammates were the first two linebacks selected in the World League of American Football draft.

The Orlando Thunder picked Wayne Davis and the San Antonio Riders took Greg Gilbert as 80 linebacks were chosen Friday in the fifth of six days of position-by-position drafting.

Davis, 26, was drafted in the ninth round by the St. Louis Cardinals of the National Football League in 1987. He played two seasons with them, followed by stints with the Los Angeles Rams and the San Francisco 49ers.

Gilbert, 23, a sophomore at Alabama when Davis was a senior, was drafted in the fifth round by the Chicago Bears in 1989 and played for the Indianapolis Colts last season.

"I just thought I got caught up in the numbers in Chicago," so now that I've got a good opportunity to redeem myself, I'm going to take full advantage of it," Gilbert said.

Davis said he wasn't sure when he would be selected, especially after Thursday's workout for the league's coaching staffs and scouts.

"I feel good about my physical condition, even though yesterday morning I ate too much breakfast and it came back up during the workout," he said. "I felt great after that, but I didn't know if I would be picked first or last."

But Don Matthews, the coach of the Orlando Thunder, said, "After we researched him at Alabama and saw him in the workouts here, there was no question he was going to be our No. 1 choice."

Defensive backs will be selected Sunday, and the 650 players drafted will report to training camps with their new teams Monday. The new league's season begins March 23, with a 10-week schedule.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Boston	40	13	.755
Philadelphia	34	24	.588
New York	23	35	.398
Washington	23	35	.398
New Jersey	17	35	.329
Atlanta	16	37	.302

Central Division

Chicago	39	14	.736
Detroit	37	16	.696
Minnesota	34	21	.619
Indiana	30	24	.556
Cleveland	19	34	.352
Charlotte	16	37	.302

WESTERN CONFERENCE

Midwest Division

Utah	35	17	.673
San Antonio	33	19	.633
Houston	30	22	.576
Dallas	28	24	.538
Minnesota	15	37	.288
Denver	15	37	.288

Pacific Division

Portland	39	14	.736
L.A. Lakers	37	16	.696
Phoenix	35	18	.659
Seattle	28	24	.538
L.A. Clippers	17	35	.329
Sacramento	16	37	.302

FRIDAY'S RESULTS

San Antonio	95	88	Portland	101	95
L.A. Clippers	95	88	Phoenix	101	95
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MONDAY SPORTS

Isassi Defeats Johnson
In Swift 60-Meter Race,
World Indoor Marks Fall

The Associated Press
KARLSRUHE, Germany — Ben Johnson ran his fastest race since his disqualification at the Olympics in Seoul, but Joel Isassi of Cuba eked out a 60-meter victory by the skin of his nose as both were clocked in 6.54 seconds.

The quick pace was surprising since Johnson last ran the 60 meters in 6.65 seconds on Feb. 16 in Toronto. He and Isassi were only six-hundredths of a second off the indoor record set by Leroy Burrell last weekend, when the U.S. sprinter clocked 6.48 in the 60 meters in Madrid.

Johnson has now run six races since coming off a two-year suspension after testing positive for steroids at the Olympics in 1988 and being stripped of the gold medal he won in the 100 meters.

Sergei Bubka of the Soviet Union easily won the pole vault, clearing 19 feet, 4 inches (6.943 meters). Bubka set the world record at 19-11 1/4 in a meet two weeks ago in the Soviet Union.

On Saturday, the Soviet women's team set a world indoor record in the 1,600-meter relay in Paris, and the German team took the overall title at the Six Nations track and field meet.

The Soviet quartet of Aelita Iurchenko, Lyudmila Shchigoleva, Marina Shonina and Margarita Ponomareva was timed in 3 minutes, 28.80 seconds, shattering the record of 3:34.38 set by a West German team in 1981.

It was the first time that Germany had competed as a united team in athletics since reunification. Germany collected 102 points. The Soviet Union was second with 100. France took third with 84.5, followed by Italy, 74.5; Britain, 62.5, and Spain, 57.5.

Katrin Krabbe of Germany, a triple gold medalist at the 1990 European outdoor championships, won the women's 60-meter dash in a slow 7.23.

"I had a temperature and a cold, but I came here because I wanted to get points for the team," said Krabbe, who had run 7.06 earlier this season.

Inna Sergeeva of the Soviet Union was second in the 60-meter race in 7.31. She had a world-leading 7.03 in the Soviet championships two weeks ago.

Sergeeva won the women's 200 earlier in a world-leading 22.59. Grit Breuer, the winner in the European outdoor in September for East Germany, was second in 22.99.

Monique Ewanje-Epte of France set another 1991 best with 7.82 in the women's 60 hurdles. It was a French record for the European outdoor champion, ranked No. 1 in the world last year.

Philippe Tourret of France won the men's 60-meter hurdles in 7.54, upsetting Igor Kazanov of the Soviet Union, the European indoor champion. Tourret's time was 7.56.

Sigurd Wodars, the 1988 Olympic champion for East Germany, won the women's 800-meter in 2:00.91, another world best this year.

Sandra Myers of Spain set a national indoor record in winning the women's 400-meter in 51.83, the fastest time in the world this year.

Record in Weight Throw
Lance Deal shattered the world indoor record in the 35-pound weight throw Friday at the Mobil Indoor Championships in New York, with the three best throws and the best series in history.

Deal, 29, capped his magnificent six-throw series with a heave of 79 feet, 3 1/2 inches. That was 9 1/2 inches farther than the mark of 78 feet, 6 1/2 inches held by Tore Johnson of Norway.

Deal's other throws were 77-1 1/4, 78-3, 79-2, 76-5 and 78-11 1/4, an average of 78-2 1/4. He was one of five throwers to surpass 70 feet in the competition, believed to be the first time that has happened.

Diane Dixon won the 400 meters for the ninth consecutive year and 10th overall, in 52.38, giving her the most victories by a female athlete in the meet's 105-year history.

Nouredine Morceli of Algeria continued his mastery of Marcus O'Sullivan of Ireland, beating him decisively for the third straight time this season. The victory established Morceli as the overwhelming favorite for the 1,500-meter title, an event O'Sullivan has won twice.

at the World Indoor Championships in Seville, Spain, March 8-10. Morceli bolted into the lead at the start and never was seriously challenged, winning by some 40 yards despite slowing in the final quarter-mile.

His time of 3:52.99 broke Eamonn Coghlan's 10-year-old Madison Square Garden record of 3:53.0, but it fell short of Coghlan's world indoor record of 3:49.72.

O'Sullivan and sprinter Andre Cason, who finished second in the 60-meter dash, tied for the men's 1991 Mobil Grand Prix title as each finished the 10-meet Grand Prix indoor season with 60 points. It was the first time in the competition's 10-year history that either the men's or women's overall title had been shared.

Role model Ivan Bagynia, a Hungarian competing for George Mason University, appeared to have a commanding 18-point lead over both Cason and O'Sullivan entering the meet. But Bagynia did not get any points after failing to clear a height, and was overtaken.

Cason and O'Sullivan each collected \$10,500 for sharing the title. Cason got an additional \$3,200 for winning the 60-meter Grand Prix title and O'Sullivan received \$2,800 for being the mile champion.

Bagynia wound up third overall and was followed by high jumper Hollis Conway and Deal.

Dixon, who also won the Grand Prix overall title in 1986, received \$12,000. She also got \$3,200 for winning the 400 Grand Prix title for the sixth straight time.

SIDELINES

Soviet Speed Skater Wins 4th Title

INZELL, Germany (Reuters)—Igor Zhelezovski of the Soviet Union held off Olympic champion Uwe-Jens Mey of Germany on Sunday to win a record-tying fourth men's world sprint skating title.

Zhelezovski won the overall title with 147.905 points. Mey, bidding for his first world crown, finished with 148.135 points. Toshiyuki Kurowa of Japan third at 149.115. Eric Heiden of the United States also won four world titles, in consecutive championships between 1977 and 1980.

Monique Garbrecht won her first world title with a total of 162.660 points. Ye Qiaobo of China was second with 163.185; Christine Aafink of the Netherlands was third with 163.790.

Kirchner Takes 3 Golds in Biathlon

LAHTI, Finland (AP)—Mark Kirchner of Germany won the men's 20-kilometer race Sunday in the World Biathlon Championships.

Kirchner, 20, who earlier retained his 10-kilometer title sprint and took part in Germany's relay team victory Saturday, now has five world championship titles. He was timed in 1:03:05.7 with two penalty minutes in the 20-kilometer race, 27.6 seconds faster than Alexander Popov of the Soviet Union. Erik Kvalløss of Norway was third.

Petra Schaff of Germany won the 15-kilometer title with a time of 55 minutes, 14.9 seconds. Grete Ingeborg Nykkelmo of Norway added the silver medal to her gold in the women's sprint and a relay silver medal. Iva Skochedra of Bulgaria took the bronze. The Soviet women overtook Norway on the last leg to win the relay Saturday.

Gansler Quits After U.S. Soccer Loss

NEW YORK (AP)—Bob Gansler quit as coach of the U.S. national soccer team Saturday, two days after a 1-0 loss to Bermuda.

Gansler, who took over the U.S. team in January 1989, led the Americans to the World Cup for the first time in 40 years but had just a 14-17-5 overall record. He had been criticized for employing conservative tactics, and Alan Rothenberg, president of the U.S. Soccer Federation, had said he was seeking a replacement with international experience.

Gansler will become the federation's national director of coaching and player development. John Kowalski, the coach of Robert Morris College and the U.S. indoor team, will take over as interim national coach.

Briton Wins First Golf Tournament

PALM SPAIN (UPI)—The first European golf tour event of the year produced a first-time winner Sunday as Steven Richardson of Britain won the Girona Open by two strokes.

Richardson shot a final round 70 for a total of 16-under-par 272, two shots better than Miguel Angel Jimenez of Spain, who also carded 70 in the final round. José Rivera of Spain made four consecutive birdies on the front nine and shot 67 for third place at 275.

Jeff Simman, who won the 1988 PGA championship for his only tour victory, rolled in a 15-foot (4.5-meter) birdie putt on the final hole Saturday to tie Bruce Lietzke for the lead after three rounds of the Los Angeles Open.

Simman shot three-under-par 68 while second-day leader Lietzke carded 70. They had a one-stroke lead on Ted Schulz and Davis Love 3d, with four others two strokes back.

Too Late the Olympics, Bird Says

INDIANAPOLIS (AP)—American pro basketball players can compete for the first time in the Olympics next year, but Larry Bird, 34, star of the Boston Celtics, says he'll be too old to pursue a Olympic dream he's harbored since starring at Indiana State in the late 1970s.

"For me to take something away from a younger player doesn't make any sense," he said Saturday night during the taping of a television interview. "My career is coming to an end. If [the Olympics] wouldn't enhance me at all."

For the Record

Manchester United, which lost its FA Cup crown last week, beat Leeds, 1-0, Sunday with an injury time goal by Lee Sharpe to gain the English League Cup final.

The Britain-Poland Davis Cup match in May will be played on clay in Warsaw, the Poles announced.

Quotable

Mark McGwire of the Oakland Athletics, on appearing with teammates Steve Howard and Dave Stewart in a special production of Tolstoy's "The Nutcracker": "This is not ballet dancing. O.K. I let's get that straight. This isn't ballet. We're soldiers marching around."



Clifford Rozier leaned into Colby Brown of Clemson as North Carolina headed for No. 1,500.

Syracuse Beats Pitt by 21,
Has at Least Tie for Title

The Associated Press
Billy Owens scored 33 points as fifth-ranked Syracuse clinched at least a share of the Big East regular season title Sunday with an 89-68 victory over No. 22 Pittsburgh in Syracuse, New York.

Syracuse (24-4, 10-4) stormed to a 19-5 lead and kept it (19-9, 8-0) never came closer than nine points.

A victory Tuesday at Villanova or Sunday against No. 25 Georgetown would assure the Orangemen, who have tied for the Big East title four times, their first outright championship. The Panthers had won four of their previous five, beating No. 24 Seton Hall, No. 18 St. John's and Georgetown.

On Saturday, No. 6 North Carolina became the first U.S. college basketball team to win 1,500 games, but it lost to Kentucky (19-9, 8-0) in a game that was a defensive showcase.

The Panthers had won four of their previous five, beating No. 24 Seton Hall, No. 18 St. John's and Georgetown.

The keys for North Carolina, whose all-time record is 1,500-548, were Hubert Davis and defense. Davis scored 13 points, including the first nine of the second half for North Carolina (21-4 overall, 9-3 in the Atlantic Coast Conference), which shot below 50 percent.

But the Tar Heels' defense ran true to form, holding Clemson (10-14, 1-10) below 39 percent.

No. 1 UNLV 114, UC Irvine 86: Stacey Augmon scored 27 points and Larry Johnson 19 and Greg Anthony set a Big West Conference career assist record as Las Vegas

(25-0), playing its last game at home this season, got its 36th consecutive victory. Anthony, who also scored 11 points, was credited with 16 assists to increase his three-year total to 758, 14 more than the previous league mark.

No. 2 Ohio State 63, Minnesota 62: Jamal Brown sank a 15-foot (4.5-meter) jumper with 32 seconds left and Chris Jent batted away a

to pull away in the second half in Gainesville, Florida. Renaldo Garcia led Florida (11-14, 7-9) with 18 points.

Marshall 107, No. 13 East Tennessee 103: John Taft scored 31 of his career-high 43 points after halftime as Marshall (13-14, 6-7 South-ern Conference) upset East Tennessee (24-4, 10-3) in overtime in Huntington, West Virginia. Keith Jennings scored a career-high 37 points for East Tennessee.

No. 14 Nebraska 85, Kansas State 78: In Lincoln, Nebraska, Beau Reid scored 21 points, 13 on free throws, as Nebraska (23-5, 8-4 Big Eight) used late foul shooting to hold off Kansas State (12-13, 2-10) for a school-record 23d victory of the season.

No. 15 New Mexico State 73, San Jose State 67: Tracey Ware scored 14 of his 22 points in the second half as the Aggies (21-3, 13-2 Big West) pulled away from the Spartans (7-18, 5-11). San Jose State, playing at home, tied it 51-51, but New Mexico State responded by scoring 10 straight points.

No. 17 UCLA 87, Oregon St. 56: Don MacLean scored 28 points, including 11 in the final 5:25 of the first half, as the Bruins (20-7, 9-6 Pacific-10), playing in Los Angeles, pulled away from the Beavers (13-11, 7-7).

No. 18 St. John's 57, Notre Dame 55: David Cain made two foul shots with 1:44 left and Jason Buchanan added a free throw with 15 seconds to go as St. John's (19-7) rallied past Notre Dame (11-17) in New York.

No. 19 LSU 119, Tennessee 87: Shaquille O'Neal got 33 points, eight rebounds and three blocked shots in little more than a half in Baton Rouge, Louisiana. LSU (19-12, 4-0) took over first place in the Southeastern Conference because Kentucky is on probation and ineligible for postseason play. Allan Houston had 24 points for Tennessee (9-18, 3-13).

North Carolina State 83, No. 20 Virginia 76: Rodney Monroe scored 30 points of his 32 points in the second half to rally North Carolina State (16-8, 7-5 Atlantic Coast) from a 20-point deficit to a victory over Virginia (19-9, 6-7) in Raleigh, North Carolina.

Alabama 97, No. 21 Mississippi State 72: James Robinson scored 24 points as Alabama (17-8, 11-5), playing at home in Birmingham, moved into a second-place tie in the Southeastern Conference with Mississippi State (18-7, 11-5) behind LSU.

No. 23 Princeton 68, Cornell 53: In Princeton, New Jersey, Kit Mueller increased his career point total to 1,463 as the Tigers (20-2) remained unbeaten in the Ivy League with 11 victories. Mueller passed Pete Campbell for second place on the Princeton career list by scoring 12 points. Bill Bradley holds the record with 2,503.

No. 24 Seton Hall 90, Villanova 73: Oliver Taylor scored 22 points and capped a game-breaking 11-1 second-half spurt with a steal and a dunk to lead the Pirates (16-7, 8-6 Big East) to victory in East Rutherford, New Jersey. Villanova dropped to 14-11 and 7-7.

No. 25 Georgetown 71, Connecticut 57: Dikembe Mutombo scored seven points in the first five minutes of the second half to help the Hoyas keep alive a slim chance for the Big East Conference title. Georgetown (16-9, 8-6) trailed for most of the first half in Landover, Maryland. Alonzo Mourning led the Hoyas with 20 points; Chris Smith paced the Huskies (16-9, 7-7) with 18.

Delé Wins WBA Title
Gilbert Delé of France won the vacant World Boxing Association junior middleweight title as he stopped Carlos Elliott in the seventh round of a scheduled 12-round fight Saturday in Pointe-à-Pitre, Guadeloupe.

Elliott was hospitalized Sunday with a concussion and double jaw fracture. He had been taken from the ring on a stretcher after not moving for about 10 minutes following the knockdown.

He was knocked down twice in the third round and was unable to mount an offensive against the Frenchman.

Delé, the European champion, is unbeaten in 27 fights with one draw. Elliott, an American fighting out of Japan, is now 26-3.

Merle Takes 2d Super-G in a Row,
Haas Wins in World Cup Downhill

REUTERS
FURANO, Japan — Carole Merle of France won her second successive World Cup super-giant slalom on Sunday, and Anja Haas of Austria won the downhill race.

Petra Kronberger of Austria missed a turn in the super-g and lost her World Cup lead in that discipline to Merle, but placed seventh in the downhill to stay narrowly atop those standings. She remains the overall leader by a healthy margin of 112 points.

The races were Kronberger's first since she injured a knee in the world championships last month.

"I am satisfied with my comeback race because I had no trouble with my knee," Kronberger said after the downhill.

Merle, 27, flashed down the 35-gate course in 1 minute, 20.66 seconds to beat Edith Thys of the United States by 0.35 of a second. Sabine Gmüther of Austria was back a further 0.13 of a second.

"I was a little bit afraid because it was an easy course for all racers," Merle said, "and I prefer a difficult course."

"I did a good inspection and had no problems at these gates where other competitors made mistakes."

Her victory owed as much to her rivals' failures, as 11 of the 51 starters went off the piste. Kronberger, Haas and others were unable to handle a right turn at speed at the same halfway point of the 2,052-meter (6,770-foot) course.

Merle's triumph in the season's fifth super-g gave her an 18-point lead over Kronberger in those standings. Merle can win the World Cup title for the third successive

year in that discipline's last race of the season in Shizukushi on Sunday. Even if Kronberger wins there, Merle would have to finish only better than ninth.

Shizukushi, the site of the 1993 world championships, will have a downhill as well as a super-g next weekend.

Conditions on the Furano course were almost perfect with sunny weather and hard-packed snow, which ensured a fast piste.

Haas's triumph in the downhill, which was postponed from Saturday because of bad weather, was her first in a World Cup race. The Austrian national champion, 19, clocked 1:22.83 to beat Chantal Bourissien of Switzerland by 0.30 seconds. Warwara Zelenskaja of the Soviet Union was third.

"I am really surprised at this victory because I was not better than in the top 15 in practice," Haas said.



Anja Haas: First cup victory.

NFL Going to Pay-TV Within 2 Years

By Gerald Eskenazi
New York Times Service

NEW YORK — The era of pay-per-view in major sports will start within the next two years, when the National Football League will offer a package of games, for a fee, in addition to its lineup of free television.

Commissioner Paul Tagliabue said Saturday the concept could be implemented as early as next year, but would certainly be used by 1993. That is the final year of the NFL's current four-year, \$3.6 billion contract with five networks: ABC, CBS and NBC, and the cable networks ESPN and TNT.

Tagliabue said that the pay-per-view concept would not replace free NFL television, and in no case would include playoff games, the conference championships, or the Super Bowl.

"We're thinking of something like a season's ticket concept," he said. "Maybe take an attractive game at the end of September, October, November and December, a four-game package. You get the fans' attention by putting it on a regular basis, just like you do with 'Monday Night Football.'"

Under its television contracts, the league has the right to begin some form of pay-per-view in the final two years of the deal, 1992 and 1993.

Tagliabue described the NFL's interest in pay-per-view as experimental. He said that whether it would be used as early as next year could depend on what is learned from NBC's use of pay-per-view for the 1992 Summer Olympics in Barcelona.

NBC will televise much of the Games over free channels. But many of the events will be available only on a pay-cable subsidiary.

Tagliabue cited changing viewer habits, economic pressures and the new technology for the league's interest in pay-per-view.

There are about 15.5 million U.S. homes with addressable cable, the capability of having a pay-per-view event. Some industry analysts say this figure will increase to more than 20 million homes by the middle of the decade.

"Secondly, there's a fractionalization of sports-television audience," Tagliabue said. "We're strong on television — 'Monday Night Football' was the sixth-highest-rated show — but the audience is shrinking because of cable TV and VCRs. The major networks used to get 95 percent of the television audience, and now it's down to about 65 to 70 percent."

The initial use of pay-to-watch-time-play football will be in only two markets, he suggested. "Maybe an NFL city where there's strong interest, such as San Francisco, and then one non-NFL city in the South where interest is high," Tagliabue said.

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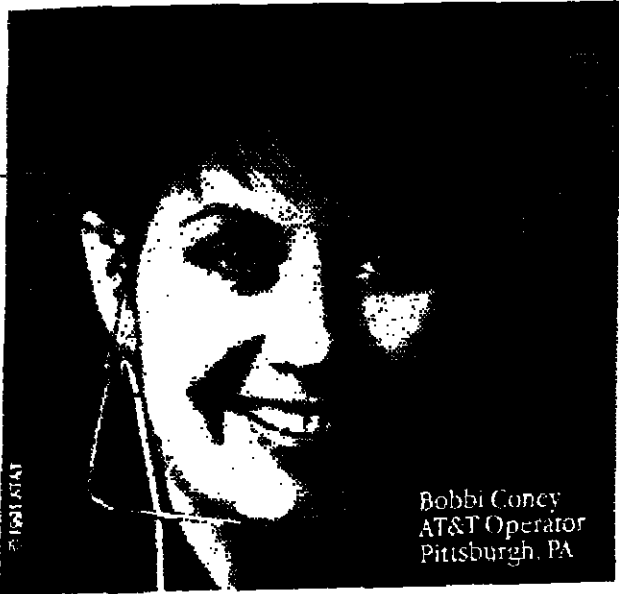
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The Target-Rich Scene: An Overview

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